

# AGENDA

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## Utah Counties Indemnity Pool Board of Directors Meeting

Thursday, April 18, 2019, 12:30 p.m.

UCIP Offices, 5397 S Vine St, Murray, UT

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12:30	Open Meeting, Pledge of Allegiance	Bruce Adams
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ITEM	ACTION	
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1.	Welcome and Introductions	Bruce Adams
2.	Review/Excuse Board Members Absent	Bruce Adams
3.	Review/Approve February 21, 2019 Meeting Minutes	Karla Johnson
4.	Ratification/Approval of Payments and Credit Card Transactions	Karla Johnson
5.	Actuarial Report—Review/Approve Actuarial Reserve Analysis	Lisa Dennison, Johnnie Miller
6.	Audit Committee Report—Review/Approve 2018 Financial Audit	Karla Johnson
7.	Reinsurance Report—Review/Approve Property Plus Program	Phil Bell, Johnnie Miller
8.	Review/Approve Excess Crime Limit Increase	Johnnie Miller
9.	Review/Approve First Quarter 2019 Financial Statements	Sonya White
10.	Review/Approve Bylaws Amendment—Late Contribution Payment	Sonya White
11.	Review/Approve Utah County Access to LocalGovU Agreement	Johnnie Miller
12.	Review/Approve County Related Entities Membership	Mike Wilkins
13.	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Bruce Adams
14.	Action on Personnel Matters	Bruce Adams
15.	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Bruce Adams
16.	Action on Litigation Matters	Dale Eyre
17.	Garfield County Data Ransom Claim	Johnnie Miller

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INFORMATION		
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18.	AGRIP Governance and Leadership Conference Report	Dale Eyre, Karla Johnson
19.	Chief Executive Officer's Report	Johnnie Miller
20.	Strategic Planning Schedule Review	Sonya White
21.	Other Business	Bruce Adams

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Electronic Meeting Notice: 515-604-9807, Participant Passcode: 675642 Anchor Location: 5397 S Vine St, Murray, UT

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**BOARD OF DIRECTORS' MEETING  
MINUTES**

February 21, 2019, 12:00 p.m.

Utah State Capitol, 350 N State, Salt Lake City, Utah  
East Senate Building, Level 1, Copper Room

**BOARD MEMBERS PRESENT**

William Cox, *Vice President*, Rich County Commissioner  
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor  
Deb Alexander, Davis County HR Director  
Blaine Breshears, Morgan County Sheriff  
Dean Cox, Washington County Commissioner  
Scott Jenkins, Weber County Commissioner  
Bob Stevenson, Davis County Commissioner  
Mark Whitney, Beaver County Commissioner

**BOARD MEMBERS PARTICIPATING  
TELEPHONICALLY**

Jim Kaiserman, Wasatch County Surveyor

**BOARD MEMBERS ABSENT**

Bruce Adams, *President*, San Juan County Commissioner  
Alma Adams, Iron County Commissioner  
Dale Eyre, Sevier County Attorney  
Mike Wilkins, Uintah County Clerk/Auditor

**OTHERS PRESENT**

Johnnie Miller, UCIP Chief Executive Officer  
Sonya White, UCIP Chief Financial Officer  
Alex Getts, UCIP Education & Training Specialist

**Call to Order**

William Cox called the meeting of the Utah Counties Indemnity Pool's Board of Directors to order at 12:00 p.m. on February 21, 2019 and welcomed those in attendance.

**Welcome New Board Member Davis County Commissioner, Bob Stevenson**

William Cox welcomed Davis County Commissioner Bob Stevenson to the Utah Counties Indemnity Pool's Board of Directors.

**Review/Excuse Board Members Absent**

Deb Alexander made a motion to excuse Bruce Adams, Alma Adams, Dale Eyre, and Mike Wilkins from this meeting. Scott Jenkins seconded the motion, which passed unanimously.

**Review/Approve December 20, 2018 Meeting Minutes**

The draft minutes of the Board of Directors meeting held December 20, 2018 were previously sent to the Board Members for review (see attachment number one). Karla Johnson made a motion to approve the December 20, 2018 Board of Directors meeting minutes as written. Dean Cox seconded the motion, which passed unanimously.

**Ratification/Approval of Payments and Credit Card Transactions**

Karla Johnson requested to have more time to review the payments and credit card transactions (see attachment number two). This item was tabled and will be presented at the next meeting.

Sonya White provided the Board with the budget to actual statement detailing each budgeted item's transactions, as requested at the December 20, 2018 Board meeting (see attachment number three).

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**UTAH COUNTIES INDEMNITY POOL**

5397 S Vine Street, Murray, UT 84107-6757  
(801)565-8500 [ucip.utah.gov](http://ucip.utah.gov)



#### **Review/Approve Interest Charged on Late Contribution Payment**

Sonya White reported that four special service districts had not paid their 2019 contributions by January 31. Pursuant to Article 4.7(a) of the Bylaws, interest is calculated daily at two percent above the rate that the Pool would have earned if the contributions had been deposited with the public Treasurers investment Fund. The interest was calculated at \$0.75 for Canyonland Improvement District, \$3.13 for Kane County Recreation & Transportation District, \$1.47 for Seven County Infrastructure Coalition, and \$5.75 for Wasatch County Special Service Area #1. White explained that the smaller member entities' Boards only meet quarterly to approve payments. White also explained that in the past the Board has waived interest if the amount was minimal. Dean Cox suggested establishing a \$10 or \$15 minimum late fee charge so that UCIP doesn't subsidize late payment fees that are waived. Dean Cox made a motion to waive the minimal interest calculated as presented and directed staff to present at the next Board meeting, proposed language for a minimum late fee charge. Scott Jenkins seconded the motion, which passed with Karla Johnson abstaining from the vote.

#### **Review/Approve Excess Crime Limit Increase**

Johnnie Miller provided the Board with a proposal to increase the excess crime limit to \$10 million (see attachment number four). Miller reported that under the Money Management Act, two percent of revenue handled by the county for the prior year is the amount required for crime coverage. In the past, this has been interpreted as two percent of budgeted revenue for the county and coverage has been purchased accordingly based on the largest county's budget. The attorney from Davis County read the requirements as "revenue, plus any revenue that passes through the Treasurer's office". Both Miller and the Davis County attorney contacted the Money Management Council representative, who couldn't provide an answer to which interpretation was correct. To be proactive, Sonya White worked with the brokers that place UCIP's current excess crime coverage to get a quote to increase the excess crime limit to \$10 million. White noted that UCIP has not experienced a claim that triggered the excess crime policy. The Board discussed options on increasing the limits. Bob Stevenson made a motion to table the item for further review and discussion. Dean Cox seconded the motion, which passed unanimously.

#### **Review/Approve Director/Officer Conflict of Interest Statements**

William Cox reported that he has reviewed each Director's and Officer's conflict of interest statements and reported that no conflicts had been reported. Deb Alexander made a motion to approve the Director/Officer conflict of interest statements. Scott Jenkins seconded the motion, which passed unanimously.

#### **Review/Approve Personnel Policy—Flex Time**

Deb Alexander reported on the proposed amendments to the Personnel Policy regarding flex time (see attachment number five). Pursuant to the discussion at the December 20 Board meeting, Alexander explained language allowing UCIP's FLSA-exempt employees to flex their time and adjust their hours if they were to work over 40 hours in one week. The amendments would also allow supervisors to approve flex hours of FLSA non-exempt employees who occasionally would work over 40 hours in a workweek without using flex time. Dean Cox addressed his concerns as to whether this policy would adequately compensate FLSA-exempt employees. Alexander confirmed that it would. Karla Johnson made a motion to approve the changes to the Personnel Policy as presented. Blaine Breshears seconded the motion, which passed with Mark Whitney abstaining from the vote. Discussion on this matter will be continued at the Board's Annual Strategic Planning meeting.

#### **Review/Approve Internal Accounting Controls Policy—Credit Card, Personnel Records Amendments**

Amendments to the Internal Accounting Controls Policy were previously sent to the Board for review (see attachment number six). Sonya White reported that she reviewed the State Auditor's recommendations outlined in their Credit Card Policy and implemented some of the language that was not already addressed in UCIP's policy. White stated that pursuant to the Board's discussion at the December 20, 2018 meeting, and on the recommendation of the Audit Committee, UCIP has applied for a US Bank Credit Card under the State Purchasing Card program.

White presented an amendment to the personnel records section to clarify that medical information and/or records will be kept in a secure location separate from the personnel files. Karla Johnson made a motion to approve the amendments to the Internal Accounting Controls Policy as presented. Bob Stevenson seconded the motion, which passed unanimously.

#### **Review/Approve Executive Staff Appointments**

William Cox explained that executive staff appointments, as outlined in the Internal Accounting Controls Policy for the Chief Executive Officer and the Chief Financial Officer, were made by the Board in August 2017 but that no timeline was established for the duration of these appointments. Johnnie Miller recommended that the appointments remain in place until the Board decides to terminate them. Karla Johnson made a motion to approve the Executive Staff Appointments, with such appointments to remain valid until terminated by the Board. Deb Alexander seconded the motion, which passed unanimously.

#### **Review/Approve Bylaws—Involuntary Member Termination Amendments**

Amended language to Article Nine—Involuntary Termination of Membership of the Bylaws were previously sent to the Board for review (see attachment number seven). Johnnie Miller reported that the Litigation Management Committee recommends allowing the Board to terminate a member with a three-fourths vote, “if the member acts in a manner inconsistent with the Pool’s shared goals or jeopardizes the Pool’s shared assets or obligations, or otherwise harms the shared interests of the Pool and its members.” This provision serves to address circumstances where a member intentionally acts in a way that affects the shared interests of the Pool, and not simply due to an unusual number of claims. Scott Jenkins made a motion to approve the Involuntary Member Termination Amendments as presented. Deb Alexander seconded the motion, which passed unanimously.

#### **Review/Approve Committees of the Board Policy—Duties and Authority Amendments**

Johnnie Miller reviewed amendments to the Committees of the Board Policy with the Board (see attachment number eight). Language was changed from committee *recommendations* to the Board to committee *reports* to the Board, which will allow for committees to assist staff in creating recommendations to the Board. This language amendment will also allow committees to meet without going into an open and public meeting session. Deb Alexander requested that the Personnel Committee’s name be changed to the Human Resources Committee. Scott Jenkins made a motion to approve the Committees of the Board Policy as presented including the amendment to change the name of the Personnel Committee to the Human Resources Committee. Dean Cox seconded the motion, which passed unanimously.

#### **Committees of the Board Assignments**

William Cox reported on the Committees of the Board assignments (see attachment number nine). Due to changes on the Board, Committee vacancies need to be filled. The Audit Committee reported that Alma Adams would be a good fit to fill the vacancy on their Committee. The Board discussed vacancies on the Committees to be filled as follows: Bob Stevenson, Chair of the Nominating Committee; Dean Cox, Education Committee; Dean Cox and Scott Jenkins, Governance Committee; Bob Stevenson, Membership Approval Committee; Karla Johnson, Membership Approval Committee. Scott Jenkins made a motion to approve the Committees of the Board Assignments as discussed. Dean Cox seconded the motion, which passed unanimously.

#### **Review/Approve Utah County Access to LocalGovU**

Johnnie Miller explained that he has presented on LocalGovU at UAC conferences and has been asked by non-member entities about accessing LocalGovU through UCIP. Miller reported that Utah County has been reviewing a change to their current vendor for their online training access, which is not government specific. Utah County asked about partnering with UCIP in order to access LocalGovU courses at UCIP’s discounted rate. Miller suggested using this opportunity as a bridge with non-member entities and proposed allowing Utah County access to LocalGovU via UCIP in the form of a separate Interlocal Agreement for UCIP to provide surplus services to Utah County. Karla Johnson suggested a limited membership status, which would make the transition to full membership easier in the future. Miller suggested moving forward to allow for a partnership with Utah County. Mark Whitney made a motion to approve Miller moving forward to create an Interlocal Agreement or establish a limited membership with UCIP for Utah County access to LocalGovU. Deb Alexander seconded the motion, which passed with Scott Jenkins opposed and William Cox abstaining from the vote.

#### **Set Date and Time for Closed Meeting**

Deb Alexander made a motion to strike agenda item: Set Date and Time for a Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual. Bob Stevenson seconded the motion, which passed unanimously.

### **Action on Personnel Matters**

Deb Alexander reported on the Association of Governmental Risk Pools (AGRIP) survey for top executive compensation and benefits (see attachment number ten). Alexander requested that the Board consider whether Miller's salary has kept pace with the average of the region UCIP falls under of comparable Pools. Alexander explained that Miller's pay should fall within the 75<sup>th</sup> percentile due to his education and experience. Miller's compensation was adjusted in June, but further adjustment was put on hold pending the AGRIP survey. Alexander continued that, based on the survey, Miller's compensation should fall in a range of \$206,000 to \$212,000 annually. Alexander recommended that Miller's salary be increased to fall under the aforementioned range. Karla Johnson made a motion to increase Miller's salary to \$210,763. Deb Alexander seconded the motion. The Board discussed the need to compensate Miller fairly, while also considering their fiscal responsibility to manage UCIP's assets. Blaine Breshears, Deb Alexander, and Karla Johnson voted in favor of the motion. William Cox, Dean Cox, Scott Jenkins, and Bob Stevenson voted against the motion. Jim Kaiserman was no longer participating telephonically. The motion failed. Dean Cox made a motion to further discuss Miller's compensation at the April 18 Board meeting. Bob Stevenson seconded the motion, which passed unanimously.

### **Set Date and Time for Closed Meeting**

Agenda item: Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation was not discussed due to lack of time.

### **Action on Litigation Matters**

Agenda item: Action on Litigation Matters was not discussed due to lack of time.

### **Personnel Committee Report—PTO and Exempt Status**

Agenda item: Personnel Committee Report—PTO and Exempt Status was not presented due to lack of time.

### **Chief Executive Officer's Report**

Agenda item: Chief Executive Officer's Report was not presented due to lack of time.

### **Other Business**

The next meeting of the Board of Directors will be held Thursday, April 18, 2019 at 12:30 p.m. at the UAC/UCIP Offices, 5397 S Vine, Murray, Utah.

Blaine Breshears made a motion to adjourn the meeting of the Utah Counties Indemnity Pool Board of Directors at 2:25 p.m. on February 21, 2019, which passed unanimously.

Prepared by:

\_\_\_\_\_  
Sonya White, UCIP Chief Financial Officer

Submitted on this \_\_\_\_\_ day of \_\_\_\_\_  
2018

\_\_\_\_\_  
Karla Johnson, Secretary/Treasurer

Approved on this \_\_\_\_\_ day of \_\_\_\_\_  
2018

\_\_\_\_\_  
Bruce Adams, President

**UTAH COUNTIES INDEMNITY POOL**  
**Payments and Credit Card Transactions**  
**February 22 - April 18, 2019**

Date	Transaction Type	Num	Name	Memo/Description	Amount
<b>500-000000-10010100 ZionsMLC</b>					
02/26/2019	Check	ACH	Durham Jones & Pinegar	Invoice: 657692	-2,252.50
02/26/2019	Check	ACH	Durham Jones & Pinegar	Invoice: 657691	-4,101.00
02/26/2019	Check	ACH	Mylar Law, PC	Invoice: 00208	-9,460.73
02/26/2019	Check	ACH	Mylar Law, PC	Invoice: 00207	-506.50
02/26/2019	Check	ACH	Mylar Law, PC	Invoice: 00206	-1,354.00
02/26/2019	Check	ACH	Stirba, PC	Invoice: 0101424630	-4,256.00
02/26/2019	Check	ACH	Emery County	Claim: EME0000192019	-1,442.96
02/26/2019	Check	ACH	Millard County	Claim: MIL0000212019	-642.61
02/27/2019	Check	BILLPAY	Uintah County	Claim: UIN0000052019	-3,743.95
02/27/2019	Check	BILLPAY	Greg Anderson	Claim: WEB0005562019	-254.83
02/27/2019	Check	BILLPAY	Nycole Durfey	Claim: WAY0000242019	-566.43
03/01/2019	Check	ACH	Mylar Law, PC	Invoice: 00217	-3,636.50
03/05/2019	Check	BILLPAY	Tamara Hokanson	Voided - Stop Payment Confirmation: 731180	0.00
03/12/2019	Check	ACH	Beaver County	Claim: BEA0000092019	-1,679.65
03/12/2019	Check	ACH	Box Elder County	Claim: BOX0000042019	-2,564.00
03/12/2019	Check	ACH	Hutton Law Associates, PC	Invoice: 00346	-19,400.00
03/12/2019	Check	ACH	Mylar Law, PC	Invoice: 00222	-4,383.00
03/12/2019	Check	ACH	Mylar Law, PC	Invoice: 00220	-2,950.00
03/12/2019	Check	ACH	Mylar Law, PC	Invoice: 00219	-15,003.00
03/12/2019	Check	ACH	Suitter Axland	Invoice: 12907912	-723.73
03/12/2019	Check	ACH	Suitter Axland	Invoice: 1290757	-192.96
03/12/2019	Check	ACH	Suitter Axland	Invoice: 1290760	-6,197.03
03/12/2019	Check	ACH	Suitter Axland	Invoice: 1290756	-2,969.70
03/12/2019	Check	ACH	Suitter Axland	Invoice: 1290754	-7,970.84
03/12/2019	Check	ACH	Suitter Axland	Invoice: 1290752	-425.20
03/12/2019	Check	BILLPAY	Company	Invoice: 43A3PF809	-8,533.35
03/12/2019	Check	BILLPAY	Siegfried & Jensen	Claim: WHS0000392019	-10,000.00
03/18/2019	Expense			STOP PAYMENT FEE	-9.00
03/19/2019	Check	ACH	Weber County	Claim: WEB0000812019	-2,804.07
03/19/2019	Check	ACH	Tamara Hokanson	Claim: WAS0000302019	-2,493.81
03/21/2019	Check	ACH	Goebel Anderson PC	Invoice: 3491	-516.00
03/21/2019	Check	ACH	Goebel Anderson PC	Invoice: 3486	-5,418.00
03/21/2019	Check	ACH	Mylar Law, PC	Invoice: 00228	-2,502.00
03/21/2019	Check	ACH	Mylar Law, PC	Invoice: 00229	-2,459.00
03/21/2019	Check	ACH	Mylar Law, PC	Invoice: 00227	-4,410.75
03/21/2019	Check	ACH	Mylar Law, PC	Invoice: 00221	-6,970.00
03/21/2019	Expense		Zions Bank	SERVICE AND TRANSACTION FEES	-54.00
03/29/2019	Check	ACH	Durham Jones & Pinegar	Invoice: 661606	-4,931.00
03/29/2019	Check	ACH	Durham Jones & Pinegar	Invoice: 661603	-5,246.19
03/29/2019	Check	ACH	Durham Jones & Pinegar	Invoice: 661601	-9,380.14
03/29/2019	Check	ACH	Mylar Law, PC	Invoice: 00234	-7,869.34
03/29/2019	Check	ACH	Mylar Law, PC	Invoice: 00233	-4,914.14
03/29/2019	Check	ACH	Frontier Adjusters, Inc.	Invoice: T797591	-1,521.10
03/29/2019	Check	ACH	Eisenberg Cutt Kendell & Olson, LLC	Claim: PIU0000082017	-5,000.00
03/29/2019	Check	ACH	Wayne County	Claim: WAY0000082019	-12,413.13
04/02/2019	Check	BILLPAY	Rocky Mountain Power	Claim: 6561555	-1,432.75
04/09/2019	Check	ACH	Hutton Law Associates, PC	Invoice: 00348	-25,545.00
04/09/2019	Check	ACH	Hutton Law Associates, PC	Invoice: 00347	-510.00
04/09/2019	Check	ACH	Mylar Law, PC	Invoice: 00236	-7,303.97
04/09/2019	Check	ACH	Suitter Axland	Invoice: 1290860	-9,007.36
04/09/2019	Check	ACH	Suitter Axland	Invoice: 1290859	-1,479.15
04/09/2019	Check	ACH	Suitter Axland	Invoice: 1290858	-1,940.00
04/09/2019	Check	ACH	Suitter Axland	Invoice: 1290856	-2,925.00
04/09/2019	Check	ACH	Suitter Axland	Invoice: 1290855	-8,300.00
04/09/2019	Check	ACH	Suitter Axland	Invoice: 1290854	-2,280.49
04/09/2019	Check	ACH	Suitter Axland	Invoice: 1290851	-200.67
04/09/2019	Check	ACH	Suitter Axland	Invoice: 1290850	-2,080.60
04/09/2019	Check	ACH	Suitter Axland	Invoice: 1290849	-1,335.00
04/09/2019	Check	ACH	Duchesne County	Claim: DUC0000262019	-1,605.01
04/09/2019	Check	ACH	Millard County	Claim: MIL0000032019	-10,277.80
04/09/2019	Check	ACH	Sevier County	Claim: SEV00000202019	-374.95
04/09/2019	Check	ACH	Andrea Woodring	Claim: WEB0000822019	-2,002.67
04/09/2019	Check	ACH	Moon Lake Electric Assn.	Claim: DUC0001562019	-2,523.14
04/10/2019	Check	BILLPAY	Company	Invoice: 43A3PF809	-283.00
04/16/2019	Check	ACH	Goebel Anderson PC	Invoice: 3646	-2,664.00
04/16/2019	Check	ACH	Goebel Anderson PC	Invoice: 3181	-4,086.00
04/16/2019	Check	ACH	Goebel Anderson PC	Invoice: 3642	-360.00

04/16/2019	Check	ACH	Goebel Anderson PC	Invoice: 3643	-11,850.45
04/16/2019	Check	ACH	Goebel Anderson PC	Invoice: 3644	-2,214.00
04/16/2019	Check	ACH	Mylar Law, PC	Invoice: 00241	-11,986.50
04/16/2019	Check	ACH	Mylar Law, PC	Invoice: 00239	-3,974.00
04/16/2019	Check	ACH	Mylar Law, PC	Invoice: 00240	-3,577.93
04/16/2019	Check	ACH	Beaver County	Claim: BEA0000102019	-1,857.30
04/16/2019	Check	ACH	Duchesne County	Claim: DUC0000282019	-2,022.88
04/16/2019	Check	ACH	Duchesne County	Claim: DUC0000272019	-728.00
04/16/2019	Check	ACH	Gridley, Ward & Hamilton	Claim: MOR0000462014	-674,000.00
04/18/2019	Check	BILLPAY	Enterprise Rent-A-Car, Inc.	Invoice: IAG4709	-101.43
04/18/2019	Check	BILLPAY	Enterprise Rent-A-Car	Invoice: 14118719	-3,114.35

**Total for 500-000000-10010100 ZionsMLC**

**-\$ 998,065.54**

**500-000000-10010100 ZionsMLE**

02/27/2019	Payroll Check	DD	Johnnie R. Miller	Pay Period: 02/16/2019-02/28/2019 02/16/2019 to 02/28/2019	-4,975.71
02/27/2019	Payroll Check	DD	Johnnie R. Miller	Pay Period: 02/16/2019-02/28/2019 02/16/2019 to 02/28/2019	-600.00
02/27/2019	Payroll Check	DD	Korby M. Siggard	Pay Period: 02/16/2019-02/28/2019 02/16/2019 to 02/28/2019	-2,437.79
02/27/2019	Payroll Check	DD	Marty L. Stevens	Pay Period: 02/16/2019-02/28/2019 02/16/2019 to 02/28/2019	-1,362.29
02/27/2019	Payroll Check	DD	Alexander F. Getts	Pay Period: 02/16/2019-02/28/2019 02/16/2019 to 02/28/2019	-1,149.60
02/27/2019	Payroll Check	DD	Sonya J. White	Pay Period: 02/16/2019-02/28/2019 02/16/2019 to 02/28/2019	-2,365.82
02/27/2019	Tax Payment		IRS	EFT ACKNOWLEDGEMENT NUMBER: 270945970377623	-4,856.88
02/28/2019	Check	ACH	PEHP-LTD	Agency: 1076	-192.25
02/28/2019	Tax Payment		UT State Tax Commission	Confirmation: 0-173-155-456	-1,790.53
02/28/2019	Check	ACH	Public Employees Health Program	Invoice: 0122668078	-7,815.17
02/28/2019	Check	5299	Utah Retirement Systems	Confirmation: 012834100897	-9,653.48
02/28/2019	Check	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,532.99
03/01/2019	Check	ACH	Alexander F. Getts	Expense Reimbursement	-124.74
03/01/2019	Check	ACH	Korby M. Siggard	Expense Reimbursement	-27.00
03/01/2019	Check	ACH	Karla Johnson	Board Meeting Reimbursement	-324.54
03/01/2019	Bill Payment (Check)	ACH	By The Numbers Actuarial Consulting, Inc.	Invoice: 2019-070	-7,000.00
03/01/2019	Bill Payment (Check)	ACH	Les Olson Company	Invoice: EA838660	-33.01
03/05/2019	Check	BILLPAY	Bob Stevenson	Board Meeting Reimbursement	-16.74
03/05/2019	Check	BILLPAY	Scott Jenkins	Board Meeting Reimbursement	-47.52
03/08/2019	Bill Payment (Check)	ONLINE	American Express	3-41009	-4,476.16
03/12/2019	Bill Payment (Check)	ACH	County Reinsurance, Limited	Property True Up	-18,146.00
03/12/2019	Bill Payment (Check)	ACH	Gallagher Bassett Services, Inc.	Invoice: 15345	-96.00
03/12/2019	Bill Payment (Check)	ACH	Goebel Anderson PC	Invoice: 3490	-403.50
03/12/2019	Bill Payment (Check)	ACH	Larson & Company	Invoice: 22422862	-16,128.75
03/12/2019	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.	Invoice: 25623	-1,750.64
03/12/2019	Bill Payment (Check)	BILLPAY	State of Utah Mail	Invoice: L8219338	-63.75
03/14/2019	Payroll Check	DD	Alexander F. Getts	Pay Period: 03/01/2019-03/15/2019 03/01/2019 to 03/15/2019	-1,400.42
03/14/2019	Payroll Check	DD	Sonya J. White	Pay Period: 03/01/2019-03/15/2019 03/01/2019 to 03/15/2019	-2,365.81
03/14/2019	Payroll Check	DD	Marty L. Stevens	Pay Period: 03/01/2019-03/15/2019 03/01/2019 to 03/15/2019	-1,695.81
03/14/2019	Payroll Check	DD	Johnnie R. Miller	Pay Period: 03/01/2019-03/15/2019 03/01/2019 to 03/15/2019	-4,975.71
03/14/2019	Payroll Check	DD	Johnnie R. Miller	Pay Period: 03/01/2019-03/15/2019 03/01/2019 to 03/15/2019	-600.00
03/14/2019	Payroll Check	DD	Korby M. Siggard	Pay Period: 03/01/2019-03/15/2019 03/01/2019 to 03/15/2019	-2,437.79
03/14/2019	Tax Payment		IRS	EFT ACKNOWLEDGEMENT NUMBER: 270947343661920	-4,999.56
03/15/2019	Check	ACH	Johnnie R. Miller	Expense Reimbursement	-863.78
03/18/2019	Bill Payment (Check)	BILLPAY	TCNS, Inc.	Invoice: 7425	-35.00
03/21/2019	Expense		Zions Bank	SERVICE AND TRANSACTION FEES	-111.28
03/22/2019	Check	ACH	Public Employees Health Program	Invoice: 0122694218	-7,815.17
03/22/2019	Check	ACH	Karla Johnson	AGRIP Expense Reimbursement	-1,016.88
03/22/2019	Check	ACH	Sevier County	AGRIP Expense Reimbursement (Eyre)	-804.63
03/22/2019	Bill Payment (Check)	ACH	Les Olson Company	Invoice: EA842806	-61.14
03/22/2019	Bill Payment (Check)	ACH	Revco Leasing Company, LLC	Invoice: 524425	-235.47
03/26/2019	Check	BILLPAY	Sonya J. White	Expense Reimbursement	-193.98
03/28/2019	Payroll Check	DD	Marty L. Stevens	Pay Period: 03/16/2019-03/31/2019 03/16/2019 to 03/31/2019	-1,529.04
03/28/2019	Payroll Check	DD	Korby M. Siggard	Pay Period: 03/16/2019-03/31/2019 03/16/2019 to 03/31/2019	-2,437.79
03/28/2019	Payroll Check	DD	Sonya J. White	Pay Period: 03/16/2019-03/31/2019 03/16/2019 to 03/31/2019	-2,365.82
03/28/2019	Payroll Check	DD	Johnnie R. Miller	Pay Period: 03/16/2019-03/31/2019 03/16/2019 to 03/31/2019	-4,975.71
03/28/2019	Payroll Check	DD	Johnnie R. Miller	Pay Period: 03/16/2019-03/31/2019 03/16/2019 to 03/31/2019	-600.00
03/28/2019	Payroll Check	DD	Alexander F. Getts	Pay Period: 03/16/2019-03/31/2019 03/16/2019 to 03/31/2019	-1,275.01
03/28/2019	Bill Payment (Check)	ACH	Arthur J. Gallagher & Co.	Invoice: 2150544	-8,314.00
03/28/2019	Bill Payment (Check)	ACH	By The Numbers Actuarial Consulting, Inc.	Invoice: 2019-088	-2,000.00
03/28/2019	Bill Payment (Check)	ACH	Don Green Photography, Inc.	Invoice: 10456	-150.00
03/28/2019	Check	ACH	PEHP-LTD	Agency: 1076	-194.04
03/28/2019	Tax Payment		IRS	EFT ACKNOWLEDGEMENT NUMBER: 70948744260686	-4,928.22
03/28/2019	Check	ACH	Utah Retirement Systems	Confirmation: 032814370896	-9,891.28
03/28/2019	Tax Payment		UT State Tax Commission	Confirmation: 2-054-481-024	-1,812.94
03/29/2019	Check	ONLINE	Nationwide Retirement Solutions	Entity: 0036786001	-2,533.00
03/29/2019	Check	ACH	Johnnie R. Miller	Expense Reimbursement	-667.24
03/29/2019	Check	ACH	Korby Siggard	Expense Reimbursement	-160.92
04/12/2019	Payroll Check	DD	Alexander F. Getts	Pay Period: 04/01/2019-04/15/2019 04/01/2019 to 04/15/2019	-1,400.42
04/12/2019	Payroll Check	DD	Sonya J. White	Pay Period: 04/01/2019-04/15/2019 04/01/2019 to 04/15/2019	-2,365.81

04/12/2019	Payroll Check	DD	Korby M. Siggard	Pay Period: 04/01/2019-04/15/2019 04/01/2019 to 04/15/2019	-2,437.79
04/12/2019	Payroll Check	DD	Marty L. Stevens	Pay Period: 04/01/2019-04/15/2019 04/01/2019 to 04/15/2019	-1,695.81
04/12/2019	Payroll Check	DD	Johnnie R. Miller	Pay Period: 04/01/2019-04/15/2019 04/01/2019 to 04/15/2019	-4,975.72
04/12/2019	Payroll Check	DD	Johnnie R. Miller	Pay Period: 04/01/2019-04/15/2019 04/01/2019 to 04/15/2019	-600.00
04/12/2019	Tax Payment		IRS	EFT ACKNOWLEDGEMENT: 270950251548683	-4,999.54
04/17/2019	Check	ACH	Marty L. Stevens	Mileage Reimbursement	-102.06
04/17/2019	Bill Payment (Check)	ACH	Gallagher Bassett Services, Inc.	Invoice: 15348	-132.00
04/17/2019	Bill Payment (Check)	ACH	Revco Leasing Company, LLC	Invoice: 527237	-235.47
04/17/2019	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.	Invoice: 25712	-1,480.35
04/17/2019	Bill Payment (Check)	ACH	Whitney Advertising & Design, Inc.	Invoice: 25735	-916.50
<b>Total for 500-000000-10010100 ZionsMLE</b>					<b>-\$ 183,159.77</b>

# UTAH COUNTIES INDEMNITY POOL

## Transaction Report

February 22 - April 18, 2019

Date	Transact ion Type	Num	Name	Memo/Description	Amount
<b>Losses and Adjustment Expense</b>					
<b>101800-40070000 Losses (2012)</b>					
<b>40020103 Nonemployee (7)</b>					
04/09/2019	Check	ACH	Suitter Axland	DUC0001052012	-1,335
04/09/2019	Check	ACH	Suitter Axland	DUC0001112012	-2,081
					<b>-3,416</b>
					<b>-3,416</b>
<b>101800-40070000 Losses (2013)</b>					
<b>40020103 Nonemployee (7)</b>					
02/26/2019	Check	ACH	Stirba, PC	IRO0001372013	-4,256
03/12/2019	Check	ACH	Mylar Law, PC	GAR0000362013	-4,383
04/09/2019	Check	ACH	Hutton Law Associates, PC	WEB0004182013	-510
04/09/2019	Check	ACH	Mylar Law, PC	GAR0000362013	-7,304
04/09/2019	Check	ACH	Suitter Axland	WEB0004412013	-201
					<b>-16,654</b>
					<b>-16,654</b>
<b>101800-40070000 Losses (2014)</b>					
<b>40020103 Nonemployee (7)</b>					
03/12/2019	Check	ACH	Hutton Law Associates, PC	MOR0000462014	-19,400
03/12/2019	Check	ACH	Suitter Axland	WAT0000822014	-425
04/09/2019	Check	ACH	Hutton Law Associates, PC	MOR0000462014	-25,545
					<b>-45,370</b>
					<b>-45,370</b>
<b>101800-40070000 Losses (2015)</b>					
<b>40020103 Nonemployee (7)</b>					
03/12/2019	Check	ACH	Mylar Law, PC	BEA0000622015	-15,003
03/21/2019	Check	ACH	Mylar Law, PC	UIN0001462015	-4,411
03/29/2019	Check	ACH	Mylar Law, PC	WEB0005122015	-4,914
04/16/2019	Check	ACH	Mylar Law, PC	UIN0001462015	-11,987
					<b>-36,314</b>
					<b>-36,314</b>
<b>101800-40070000 Losses (2016)</b>					
<b>40020103 Nonemployee (7)</b>					
02/26/2019	Check	ACH	Mylar Law, PC	UIN0001482016	-9,461
03/12/2019	Check	ACH	Suitter Axland	WAT0001012016	-2,970
03/21/2019	Check	ACH	Mylar Law, PC	WEB0005212016	-2,459
03/29/2019	Check	ACH	Durham Jones & Pinegar	MIL0001002016	-9,380
03/29/2019	Check	ACH	Mylar Law, PC	UIN0001482016	-7,869
04/09/2019	Check	ACH	Suitter Axland	WAT0001012016	-2,925
04/16/2019	Check	ACH	Goebel Anderson PC	WAT0001042016	-360
					<b>-35,424</b>
					<b>-35,424</b>
<b>101800-40070000 Losses (2017)</b>					
<b>40020103 Nonemployee (7)</b>					
02/26/2019	Check	ACH	Mylar Law, PC	SEV0001142017	-507
02/26/2019	Check	ACH	Durham Jones & Pinegar	BOX0001212017	-2,253
03/12/2019	Check	ACH	Mylar Law, PC	DUC0001502017	-2,950
03/12/2019	Check	ACH	Suitter Axland	DUC0001552017	-6,197
03/12/2019	Check	ACH	Suitter Axland	DAV0003652017	-7,971
03/21/2019	Check	ACH	Mylar Law, PC	WEB0005302017	-6,970
03/21/2019	Check	ACH	Goebel Anderson PC	MOR0000522017	-516
03/21/2019	Check	ACH	Mylar Law, PC	DAG0000392017	-2,502
03/29/2019	Check	ACH	Durham Jones & Pinegar	KAN0000862017	-4,931
03/29/2019	Check	ACH	Durham Jones & Pinegar	DUC0001542017	-5,246
04/09/2019	Check	ACH	Suitter Axland	DUC0001502017	-8,300
04/09/2019	Check	ACH	Suitter Axland	DAV0003652017	-2,280

04/09/2019	Check	ACH	Suitter Axland	DUC0001552017	-9,007
04/16/2019	Check	ACH	Mylar Law, PC	WEB0005372017	-3,578
04/16/2019	Check	ACH	Goebel Anderson PC	PIU0000082017	-2,664
04/16/2019	Check	ACH	Goebel Anderson PC	WEB0005432017	-11,850
					<b>-77,722</b>
<b>40070300 Proceeds (14)</b>					
03/29/2019	Check	ACH	Eisenberg Cutt Kendell & Olson, LLC	PIU0000082017	-5,000
					<b>-5,000</b>
					<b>-82,722</b>
<b>101800-40070000 Losses (2018)</b>					
<b>40020103 Nonemployee (7)</b>					
02/26/2019	Check	ACH	Mylar Law, PC	DAV0003732018	-1,354
02/26/2019	Check	ACH	Durham Jones & Pinegar	DAV0003772018	-4,101
03/01/2019	Check	ACH	Mylar Law, PC	WEB0005522018	-3,637
03/12/2019	Check	ACH	Suitter Axland	SAN0000942018	-193
03/12/2019	Check	ACH	Suitter Axland	SAN0000942018	-724
03/21/2019	Check	ACH	Goebel Anderson PC	WAT0001092018	-5,418
04/09/2019	Check	ACH	Suitter Axland	DAV0003752018	-1,940
04/09/2019	Check	ACH	Suitter Axland	SEV0001162018	-1,479
04/16/2019	Check	ACH	Goebel Anderson PC	BEA0000692018	-2,214
04/16/2019	Check	ACH	Goebel Anderson PC	WAT0001092018	-4,086
04/16/2019	Check	ACH	Mylar Law, PC	WEB0005532018	-3,974
					<b>-29,119</b>
					<b>-23,444</b>
<b>101800-40070000 Losses (2019)</b>					
02/26/2019	Check	ACH	Emery County	EME0000192019	-1,443
02/26/2019	Check	ACH	Millard County	MIL0000212019	-643
02/27/2019	Check	BILLPAY	Uintah County	UIN0000052019	-3,744
02/27/2019	Check	BILLPAY	Greg Anderson	WEB0005562019	-255
02/27/2019	Check	BILLPAY	Nycole Durfey	WAY0000242019	-566
03/05/2019	Check	BILLPAY	Tamara Hokanson	WAS0000302019	0
03/12/2019	Check	ACH	Beaver County	BEA0000092019	-1,680
03/12/2019	Check	ACH	Box Elder County	BOX0000042019	-2,564
03/12/2019	Check	BILLPAY	American National Property and Casualty Company	SEV0001172019	-8,533
03/19/2019	Check	ACH	Tamara Hokanson	WAS0000302019	-2,494
03/19/2019	Check	ACH	Weber County	WEB0000812019	-2,804
03/29/2019	Check	ACH	Wayne County	WAY0000082019	-12,413
04/02/2019	Check	BILLPAY	Rocky Mountain Power	IRO0000252019	-1,433
04/09/2019	Check	ACH	Duchesne County	DUC0000262019	-1,605
04/09/2019	Check	ACH	Millard County	MIL0000032019	-10,278
04/09/2019	Check	ACH	Sevier County	SEV0000202019	-375
04/09/2019	Check	ACH	Moon Lake Electric Assn.	DUC0001562019	-2,523
04/09/2019	Check	ACH	Andrea Woodring	WEB0000822019	-2,003
04/10/2019	Check	BILLPAY	American National Property and Casualty Company	SEV0001172019	-283
04/16/2019	Check	ACH	Duchesne County	DUC0000272019	-728
04/16/2019	Check	ACH	Beaver County	BEA0000102019	-1,857
04/16/2019	Check	ACH	Duchesne County	DUC0000282019	-2,023
04/18/2019	Check	BILLPAY	Enterprise Rent-A-Car	DAV0000582019	-3,114
04/18/2019	Check	BILLPAY	Enterprise Rent-A-Car, Inc.	WAS0000302019	-101
					<b>-63,462</b>
<b>40020103 Non-employee (7)</b>					
03/29/2019	Check	ACH	Frontier Adjusters, Inc.	WAY0000082019	-1,521
					<b>-1,521</b>
<b>40070300 proceeds (14)</b>					
03/12/2019	Check	BILLPAY	Siegfried & Jensen	WHS0000392019	-10,000
04/16/2019	Check	ACH	Gridley, Ward & Hamilton	MOR0000462014	-674,000
					<b>-684,000</b>
					<b>-748,983</b>
<b>TOTAL</b>					<b>-111,495</b>



# UTAH COUNTIES INDEMNITY POOL

## Transaction Report

February 22 - April 18, 2019

Date	Type	Nm	Name	Memo/Description	Amount
<b>500-100101-40020000 Directors</b>					
<b>40020900 Travel Training</b>					
03/01/2019	Check	ACH	Karla Johnson		-325
03/05/2019	Check	BILLPAY	Scott Jenkins		-48
03/05/2019	Check	BILLPAY	Bob Stevenson		-17
03/08/2019	Bill	ONLINE	American Express	AGRIP Registration (Eyre, Johnson, Wilkins) \$150 Cancellation Fees	-2,415
03/08/2019	Bill	ONLINE	American Express	Capitol Catering (Board Meeting Lunch)	-184
03/22/2019	Check	ACH	Sevier County		-805
03/22/2019	Check	ACH	Karla Johnson		-1,017
04/01/2019	Bill	ONLINE	American Express	Union Station Hotel AGRIP (Eyre, Johnson)	-2,237
04/01/2019	Bill	ONLINE	American Express	Taxi Service AGRIP	-107
04/01/2019	Bill	ONLINE	American Express	Landry's AGRIP (Eyre, Johnson, White)	-121
04/01/2019	Bill	ONLINE	American Express	Gateway Arch (Eyre, Johnson, White)	-57
					<b>-1664</b>
<b>TOTAL</b>					<b>-\$ 1,664</b>
<b>500-100102-4002000 Office</b>					
<b>40020104 Information Technology</b>					
03/01/2019	Bill	ACH	Gallagher Bassett Services, Inc.	CZR User Claims (JAN)	-96
03/07/2019	Bill	BILLPAY	TCNS, Inc.	Phone Support (Jan)	-35
03/08/2019	Bill	ONLINE	American Express	GoToMeeting Subscription	-373
03/08/2019	Bill	ONLINE	American Express	Metrofax Monthly Subscription	-8
03/08/2019	Bill	ONLINE	American Express	ADOBE Subscription	-11
03/13/2019	Bill	ACH	Don Green Photography, Inc.	Photograph Archive, Getts Picture	-150
04/01/2019	Bill	ONLINE	American Express	Intuit Online Accounting Subscription	-120
04/01/2019	Bill	ONLINE	American Express	Intuit Online Accounting Subscription	-118
04/01/2019	Bill	ONLINE	American Express	Metrofax	-8
04/01/2019	Bill	ACH	Gallagher Bassett Services, Inc.	CZR User Claims (FEB)	-132
04/01/2019	Bill	ONLINE	American Express	Adobe	-11
					<b>-\$ 1,062</b>
<b>40020500 Printing</b>					
03/01/2019	Bill	ACH	Les Olson Company	BW (1,410) COLOR (17,051)	-61
03/01/2019	Bill	ACH	Revco Leasing Company, LLC	Lease Payment Mar	-235
04/01/2019	Bill	ACH	Revco Leasing Company, LLC	Lease Payment Apr	-235
					<b>-\$ 531</b>
<b>40020600 Postage</b>					
03/01/2019	Bill	BILLPAY	State of Utah Mail	Records Management Archives	-64
					<b>-\$ 64</b>
<b>40021000 Bank Charges</b>					
02/28/2019	Expense	ONLINE	Zions Bank	SERVICE AND TRANSACTION FEES	-236
03/18/2019	Expense	ONLINE	Zions Bank	STOP PAYMENT FEE	-9
03/21/2019	Expense	ONLINE	Zions Bank	SERVICE AND TRANSACTION FEES	-111
03/21/2019	Expense	ONLINE	Zions Bank	SERVICE AND TRANSACTION FEES	-54
03/31/2019	Expense	ONLINE	Zions Bank	SERVICE AND TRANSACTION FEES	-225
					<b>-\$ 635</b>
<b>40050100 Office Supplies</b>					
03/08/2019	Bill	ONLINE	American Express	Office Depot	-33
					<b>-\$ 33</b>
<b>40020900 Travel Education</b>					
03/01/2019	Check	ACH	Korby M. Siggard		-27
03/01/2019	Check	ACH	Alexander F. Getts		-125
03/08/2019	Bill	ONLINE	American Express	Hyatt Place CIC Training (Miller)	-190
03/08/2019	Bill	ONLINE	American Express	AGRIP Registration (White)	-755
03/08/2019	Bill	ONLINE	American Express	Delta AGRIP (White)	-508
03/26/2019	Check	BILLPAY	Sonya J. White		-194
03/29/2019	Check	ACH	Korby Siggard		-161
04/01/2019	Bill	ONLINE	American Express	Delta AGRIP (White)	-60

04/01/2019	Bill	ONLINE	American Express	Delta CRL (Miller)	-467
04/01/2019	Bill	ONLINE	American Express	Union Station Hotel AGRIP (White)	-746
04/17/2019	Check	ACH	Marty L. Stevens		-102
					<b>- \$ 3,335</b>
<b>TOTAL</b>					<b>- \$ 5,660</b>

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**500-101000-40020000 Financial/Professional Services**
**40020102 Actuary**
**Equity**

03/26/2019	Bill	ACH	By The Numbers Actuarial Consulting, Inc.	Member Equity Allocation	-1,000
					<b>\$ -1,000</b>

**Loss Ratio**

03/26/2019	Bill	ACH	By The Numbers Actuarial Consulting, Inc.	Loss Ratio Analysis	-1,000
					<b>\$ -1,000</b>

**Reserve**

02/28/2019	Bill	BILLPAY	By The Numbers Actuarial Consulting, Inc.	Estimated Required Reserves	-7,000
					<b>\$ -7,000</b>

**40020102 Audit**

03/01/2019	Bill	ACH	Larson & Company	2018 Audit	-16,129
					<b>\$ -16,129</b>
<b>TOTAL</b>					<b>- \$ 25,129</b>

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**500-101100-40010000 Personnel**
**40010101 Salaries**

02/28/2019	Payroll Check	DD	Korby M. Siggard	Gross Pay	-3,690
02/28/2019	Payroll Check	DD	Marty L. Stevens	Gross Pay	-1,743
02/28/2019	Payroll Check	DD	Alexander F. Getts	Gross Pay	-1,483
02/28/2019	Payroll Check	DD	Sonya J. White	Gross Pay	-3,850
02/28/2019	Payroll Check	DD	Johnnie R. Miller	Gross Pay	-8,475
03/15/2019	Payroll Check	DD	Sonya J. White	Gross Pay	-3,850
03/15/2019	Payroll Check	DD	Alexander F. Getts	Gross Pay	-1,813
03/15/2019	Payroll Check	DD	Marty L. Stevens	Gross Pay	-2,130
03/15/2019	Payroll Check	DD	Johnnie R. Miller	Gross Pay	-8,475
03/15/2019	Payroll Check	DD	Korby M. Siggard	Gross Pay	-3,690
03/29/2019	Payroll Check	DD	Korby M. Siggard	Gross Pay	-3,690
03/29/2019	Payroll Check	DD	Marty L. Stevens	Gross Pay	-1,937
03/29/2019	Payroll Check	DD	Sonya J. White	Gross Pay	-3,850
03/29/2019	Payroll Check	DD	Johnnie R. Miller	Gross Pay	-8,475
03/29/2019	Payroll Check	DD	Alexander F. Getts	Gross Pay	-1,648
04/15/2019	Payroll Check	DD	Alexander F. Getts	Gross Pay	-1,813
04/15/2019	Payroll Check	DD	Sonya J. White	Gross Pay	-3,850
04/15/2019	Payroll Check	DD	Korby M. Siggard	Gross Pay	-3,690
04/15/2019	Payroll Check	DD	Johnnie R. Miller	Gross Pay	-8,475
04/15/2019	Payroll Check	DD	Marty L. Stevens	Gross Pay	-2,130
					<b>- \$ 78,757</b>

**40010203 Payroll Liabilities**

02/28/2019	Payroll Check	DD	Sonya J. White	Employer Taxes	-295
02/28/2019	Payroll Check	DD	Alexander F. Getts	Employer Taxes	-113
02/28/2019	Payroll Check	DD	Marty L. Stevens	Employer Taxes	-133
02/28/2019	Payroll Check	DD	Korby M. Siggard	Employer Taxes	-282
02/28/2019	Payroll Check	DD	Johnnie R. Miller	Employer Taxes	-648
03/15/2019	Payroll Check	DD	Korby M. Siggard	Employer Taxes	-282
03/15/2019	Payroll Check	DD	Johnnie R. Miller	Employer Taxes	-648
03/15/2019	Payroll Check	DD	Marty L. Stevens	Employer Taxes	-163
03/15/2019	Payroll Check	DD	Sonya J. White	Employer Taxes	-295
03/15/2019	Payroll Check	DD	Alexander F. Getts	Employer Taxes	-139
03/29/2019	Payroll Check	DD	Korby M. Siggard	Employer Taxes	-282
03/29/2019	Payroll Check	DD	Sonya J. White	Employer Taxes	-295
03/29/2019	Payroll Check	DD	Johnnie R. Miller	Employer Taxes	-648
03/29/2019	Payroll Check	DD	Alexander F. Getts	Employer Taxes	-126
03/29/2019	Payroll Check	DD	Marty L. Stevens	Employer Taxes	-148
04/15/2019	Payroll Check	DD	Sonya J. White	Employer Taxes	-295
04/15/2019	Payroll Check	DD	Korby M. Siggard	Employer Taxes	-282

04/15/2019	Payroll Check	DD	Marty L. Stevens	Employer Taxes	-163
04/15/2019	Payroll Check	DD	Johnnie R. Miller	Employer Taxes	-648
04/15/2019	Payroll Check	DD	Alexander F. Getts	Employer Taxes	-139
					<hr/>
					<b>-\$ 6,024</b>

#### 40010202 Group Insurance

##### Dental

02/28/2019	Check	ACH	Public Employees Health Program	Sonya White	-58
02/28/2019	Check	ACH	Public Employees Health Program	Johnnie Miller	-88
02/28/2019	Check	ACH	Public Employees Health Program	Marty Stevens	-88
02/28/2019	Check	ACH	Public Employees Health Program	Korby Siggard	-88
02/28/2019	Check	ACH	Public Employees Health Program	Alex Getts	-88
03/22/2019	Check	ACH	Public Employees Health Program	Alex Getts	-88
03/22/2019	Check	ACH	Public Employees Health Program	Marty Stevens	-88
03/22/2019	Check	ACH	Public Employees Health Program	Johnnie Miller	-88
03/22/2019	Check	ACH	Public Employees Health Program	Korby Siggard	-88
03/22/2019	Check	ACH	Public Employees Health Program	Sonya White	-58
					<hr/>
					<b>-\$ 820</b>

##### Life

02/28/2019	Check	ACH	Public Employees Health Program	Alex Getts	-11
02/28/2019	Check	ACH	Public Employees Health Program	Johnnie Miller	-11
02/28/2019	Check	ACH	Public Employees Health Program	Marty Stevens	-11
02/28/2019	Check	ACH	Public Employees Health Program	Korby Siggard	-11
02/28/2019	Check	ACH	Public Employees Health Program	Sonya White	-11
03/22/2019	Check	ACH	Public Employees Health Program	Alex Getts	-11
03/22/2019	Check	ACH	Public Employees Health Program	Johnnie Miller	-11
03/22/2019	Check	ACH	Public Employees Health Program	Korby Siggard	-11
03/22/2019	Check	ACH	Public Employees Health Program	Sonya White	-11
03/22/2019	Check	ACH	Public Employees Health Program	Marty Stevens	-11
					<hr/>
					<b>-\$ 110</b>

##### LTD

02/28/2019	Check	ACH	PEHP-LTD	Sonya White	-39
02/28/2019	Check	ACH	PEHP-LTD	Marty Stevens	-19
02/28/2019	Check	ACH	PEHP-LTD	Korby Siggard	-37
02/28/2019	Check	ACH	PEHP-LTD	Johnnie Miller	-81
02/28/2019	Check	ACH	PEHP-LTD	Alex Getts	-16
03/28/2019	Check	ACH	PEHP-LTD	Sonya White	-39
03/28/2019	Check	ACH	PEHP-LTD	Marty Stevens	-20
03/28/2019	Check	ACH	PEHP-LTD	Korby Siggard	-37
03/28/2019	Check	ACH	PEHP-LTD	Johnnie Miller	-81
03/28/2019	Check	ACH	PEHP-LTD	Alex Getts	-17
					<hr/>
					<b>-\$ 386</b>

##### Medical

02/28/2019	Check	ACH	Public Employees Health Program	Johnnie Miller	-1,315
02/28/2019	Check	ACH	Public Employees Health Program	Marty Stevens	-1,315
02/28/2019	Check	ACH	Public Employees Health Program	Sonya White	-972
02/28/2019	Check	ACH	Public Employees Health Program	Korby Siggard	-1,315
02/28/2019	Check	ACH	Public Employees Health Program	Alex Getts	-1,315
03/22/2019	Check	ACH	Public Employees Health Program	Sonya White	-972
03/22/2019	Check	ACH	Public Employees Health Program	Korby Siggard	-1,315
03/22/2019	Check	ACH	Public Employees Health Program	Marty Stevens	-1,315
03/22/2019	Check	ACH	Public Employees Health Program	Alex Getts	-1,315
03/22/2019	Check	ACH	Public Employees Health Program	Johnnie Miller	-1,315
					<hr/>
					<b>-\$ 12,464</b>

##### Vision

02/28/2019	Check	ACH	Public Employees Health Program	Korby Siggard	-15
02/28/2019	Check	ACH	Public Employees Health Program	Alex Getts	-15
02/28/2019	Check	ACH	Public Employees Health Program	Johnnie Miller	-15
02/28/2019	Check	ACH	Public Employees Health Program	Marty Stevens	-15
02/28/2019	Check	ACH	Public Employees Health Program	Sonya White	-11
03/22/2019	Check	ACH	Public Employees Health Program	Korby Siggard	-15
03/22/2019	Check	ACH	Public Employees Health Program	Marty Stevens	-15
03/22/2019	Check	ACH	Public Employees Health Program	Johnnie Miller	-15
03/22/2019	Check	ACH	Public Employees Health Program	Alex Getts	-15

03/22/2019	Check	ACH	Public Employees Health Program	Sonya White	-11
					<u>-\$ 142</u>
<b>40010204 Retirement</b>					
02/28/2019	Check	ONLINE	Utah Retirement Systems	Johnnie Miller 401k Match	-405
02/28/2019	Check	ONLINE	Utah Retirement Systems	Korby Siggard Pension	-1,363
02/28/2019	Check	ONLINE	Utah Retirement Systems	Alex Getts Tier 2 401k	-38
02/28/2019	Check	ONLINE	Nationwide Retirement Solutions	Johnnie Miller 457	-405
02/28/2019	Check	ONLINE	Nationwide Retirement Solutions	Sonya White 457	-385
02/28/2019	Check	ONLINE	Nationwide Retirement Solutions	Korby Siggard 457	-369
02/28/2019	Check	ONLINE	Utah Retirement Systems	Sonya White Pension	-1,422
02/28/2019	Check	ONLINE	Utah Retirement Systems	Johnnie Miller Pension	-2,992
02/28/2019	Check	ONLINE	Utah Retirement Systems	Alex Getts 401k Match	-37
02/28/2019	Check	ONLINE	Utah Retirement Systems	Marty Stevens Pension	-298
02/28/2019	Check	ONLINE	Utah Retirement Systems	Marty Stevens Tier 2 401k	-445
02/28/2019	Check	ONLINE	Utah Retirement Systems	Alex Getts Pension	-512
02/28/2019	Check	ONLINE	Utah Retirement Systems	Marty Stevens 401k Match	-203
03/28/2019	Check	ACH	Utah Retirement Systems	Johnnie Miller Pension	-2,992
03/28/2019	Check	ACH	Utah Retirement Systems	Johnnie Miller 401k Match	-405
03/28/2019	Check	ACH	Utah Retirement Systems	Korby Siggard Pension	-1,363
03/28/2019	Check	ACH	Utah Retirement Systems	Marty Stevens Pension	-272
03/28/2019	Check	ACH	Utah Retirement Systems	Marty Stevens 401k Match	-219
03/28/2019	Check	ACH	Utah Retirement Systems	Sonya White Pension	-1,422
03/28/2019	Check	ACH	Utah Retirement Systems	Alex Getts Pension	-538
03/28/2019	Check	ACH	Utah Retirement Systems	Alex Getts Tier 2 401k	-40
03/28/2019	Check	ACH	Utah Retirement Systems	Alex Getts 401k Match	-462
03/28/2019	Check	ACH	Utah Retirement Systems	Marty Stevens Tier 2 401k	-407
03/29/2019	Check	ONLINE	Nationwide Retirement Solutions	Korby Siggard 457	-369
03/29/2019	Check	ONLINE	Nationwide Retirement Solutions	Sonya White 457	-385
03/29/2019	Check	ONLINE	Nationwide Retirement Solutions	Johnnie Miller 457	-405
					<u>-\$ 18,153</u>
<b>TOTAL</b>					<u><u>-\$ 116,856</u></u>
<b>500-101600-40020000 Public Relations</b>					
03/01/2019	Bill	ACH	Whitney Advertising & Design, Inc.	Journals (525)	-1,751
					<u>\$ -1,341</u>
<b>40020400 Advertising</b>					
04/01/2019	Bill	ACH	Whitney Advertising & Design, Inc.	Lint Sheets (352) UAC	-917
04/01/2019	Bill	ACH	Modern Display	Modulate Series Lounge Backdrop Shipping	-181
					<u>\$ -1,097</u>
<b>TOTAL</b>					<u><u>\$ -2,438</u></u>
<b>500-101800-40020000 Risk Management</b>					
<b>40020103 Land Use Hotline</b>					
03/01/2019	Bill	ACH	Goebel Anderson PC	EME (1.5), MOR (0.3), SAJ (0.5)	-404
					<u>\$ -404</u>
<b>40020900 Training</b>					
04/01/2019	Bill	ACH	Whitney Advertising & Design, Inc.	Hourglass (105)	-1,480
					<u>\$ -8,668</u>
<b>40020900 Travel</b>					
03/15/2019	Check	ACH	Johnnie R. Miller		-864
03/29/2019	Check	ACH	Johnnie R. Miller		-667
					<u>\$ -1,531</u>
<b>TOTAL</b>					<u><u>\$ -10,602</u></u>

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Draft Issued 2/26/19

# UTAH COUNTIES INDEMNITY POOL

## ACTUARIAL REPORT Reserve Analysis as of 12/31/18

2/26/19

## FINDINGS

The findings are the product of loss experience, actuarial assumptions, quantitative analysis, and professional judgment. The estimated required reserves are expressed in terms of ranges that indicate the reliance on assumptions believed to be reasonable and are subject to all the limitations expressed herein.

## ESTIMATED REQUIRED RESERVES

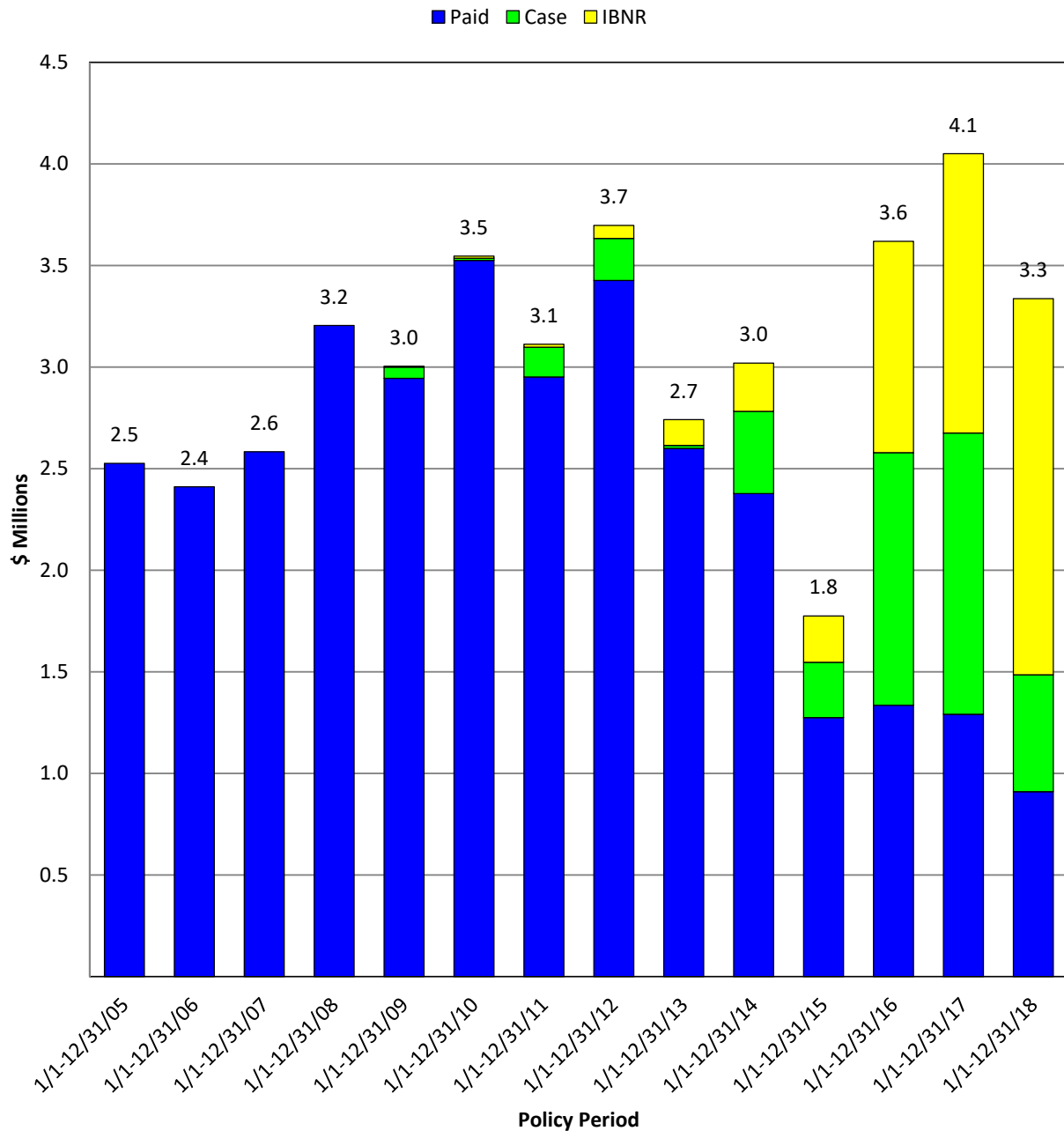
The required reserves shown in the following tables should be used for financial statement reporting as of that date. However, until all the claims that occurred on or before 12/31/18 are closed, the actual reserve need remains an estimate. While the experience of UCIP indicates that the required reserves will fall within the range established in this report, the possibility exists that extraordinary or unexpected circumstances could cause the actual reserve need to be less than or greater than the range. Therefore, the findings cannot be warranted or guaranteed.

### ESTIMATED LOSS AND ALAE RESERVES INCLUDING IBNR FOR 1/1/05-12/31/18 AS OF 12/31/18 (Limited to Specific Retentions)

	Line of Business	Low	Expected	High
Undiscounted for Investment Income	GL	\$ 8,360,000	\$ 9,160,000	\$10,280,000
	AL	80,000	90,000	130,000
	Property	10,000	20,000	40,000
	Total	\$ 8,450,000	\$ 9,270,000	\$10,450,000
Discounted at 2.5% per Annum	GL	\$ 7,880,000	\$ 8,630,000	\$ 9,690,000
	AL	70,000	90,000	130,000
	Property	10,000	20,000	40,000
	Total	\$ 7,960,000	\$ 8,740,000	\$ 9,860,000

Figure 1

**UTAH COUNTIES INDEMNITY POOL**  
**ALL COVERAGES**  
**ESTIMATED RETAINED LOSSES AS OF 12/31/18**



The low and high figures are judgmental and not intended to establish absolute minimums or maximums on the estimates, but rather to depict a reasonable range for the establishment of loss reserves in this particular situation. Figure 1 contains a graphical representation of UCIP's estimated retained loss experience as of 12/31/18 including the undiscounted expected reserves.

As noted, the reserves are estimated on both undiscounted and discounted for investment income bases. UCIP provided the discount rate of 2.5%. An analysis of the reasonableness of the selected discount rate is beyond the scope of this report. Establishing loss reserves on a discounted basis requires that future investment income earned on the loss reserves be added to the reserves to strengthen them rather than recognized as net income. It also assumes that assets equal to the present value of the reserves are available for investment as of the 12/31/18 evaluation date. The accuracy of discounted reserves depends upon the accuracy of the undiscounted estimates, the estimated payout schedule, and the interest rate assumption used to discount the loss payout schedule. If the discounted estimate is used, the management of UCIP should carefully review each of these assumptions to assure that they are in agreement with them.

## **COMPARISON TO PRIOR REPORT**

The ultimate incurred losses estimated in this report are compared to the 4/23/18 actuarial report in the following table and Figure 2. As shown, the estimates decreased \$393,147 or 1.0% from 12/31/17 to 12/31/18. The decreases in the 1/1-12/31/13 and 1/1-12/31/16 periods are due to decreases in incurred losses in the general liability lines. The decrease in the 1/1-12/31/15 period is largely due to lower than expected incurred development in public officials liability. All public officials claims for this period are now closed. The increase in the 1/1-12/31/12 period is



due to the emergence of a new large general liability loss as shown in Appendix A, Exhibit I.

The increase in the 1/1-12/31/17 period is due to increases in law enforcement and general liability. Incurred losses for law enforcement liability increased 160.6% from 12/31/17 to 12/31/18 compared to an expected increase of 135.5%. Incurred losses for general liability increased 266.8% compared to an expected increase of 192.0%.

**COMPARISON OF ESTIMATED ULTIMATE  
INCURRED LOSSES TO PRIOR ACTUARIAL REPORT  
ALL COVERAGES**  
(Limited to Specific Retentions)  
(Net of Recoveries)

Policy Period	Current Report (Table 43 Section A)	4/23/18 Report (Table 43 Section A)	Change	Percent Change
1/1-12/31/05	\$ 2,526,117	\$ 2,526,117	\$ 0	0.0%
1/1-12/31/06	2,410,764	2,410,764	0	0.0%
1/1-12/31/07	2,583,379	2,583,379	0	0.0%
1/1-12/31/08	3,204,919	3,204,919	0	0.0%
1/1-12/31/09	3,004,187	2,942,785	61,402	2.1%
1/1-12/31/10	3,546,306	3,550,963	( 4,657)	( 0.1%)
1/1-12/31/11	3,112,364	3,117,113	( 4,749)	( 0.2%)
1/1-12/31/12	3,697,398	3,476,058	221,340	6.4%
1/1-12/31/13	2,741,525	3,006,797	( 265,272)	( 8.8%)
1/1-12/31/14	3,019,614	3,108,581	( 88,967)	( 2.9%)
1/1-12/31/15	1,774,973	2,200,274	( 425,301)	(19.3%)
1/1-12/31/16	3,619,045	4,002,363	( 383,318)	( 9.6%)
1/1-12/31/17	4,050,355	3,553,980	496,375	14.0%
Total	\$39,290,946	\$39,684,093	(\$ 393,147)	( 1.0%)

Figure 2

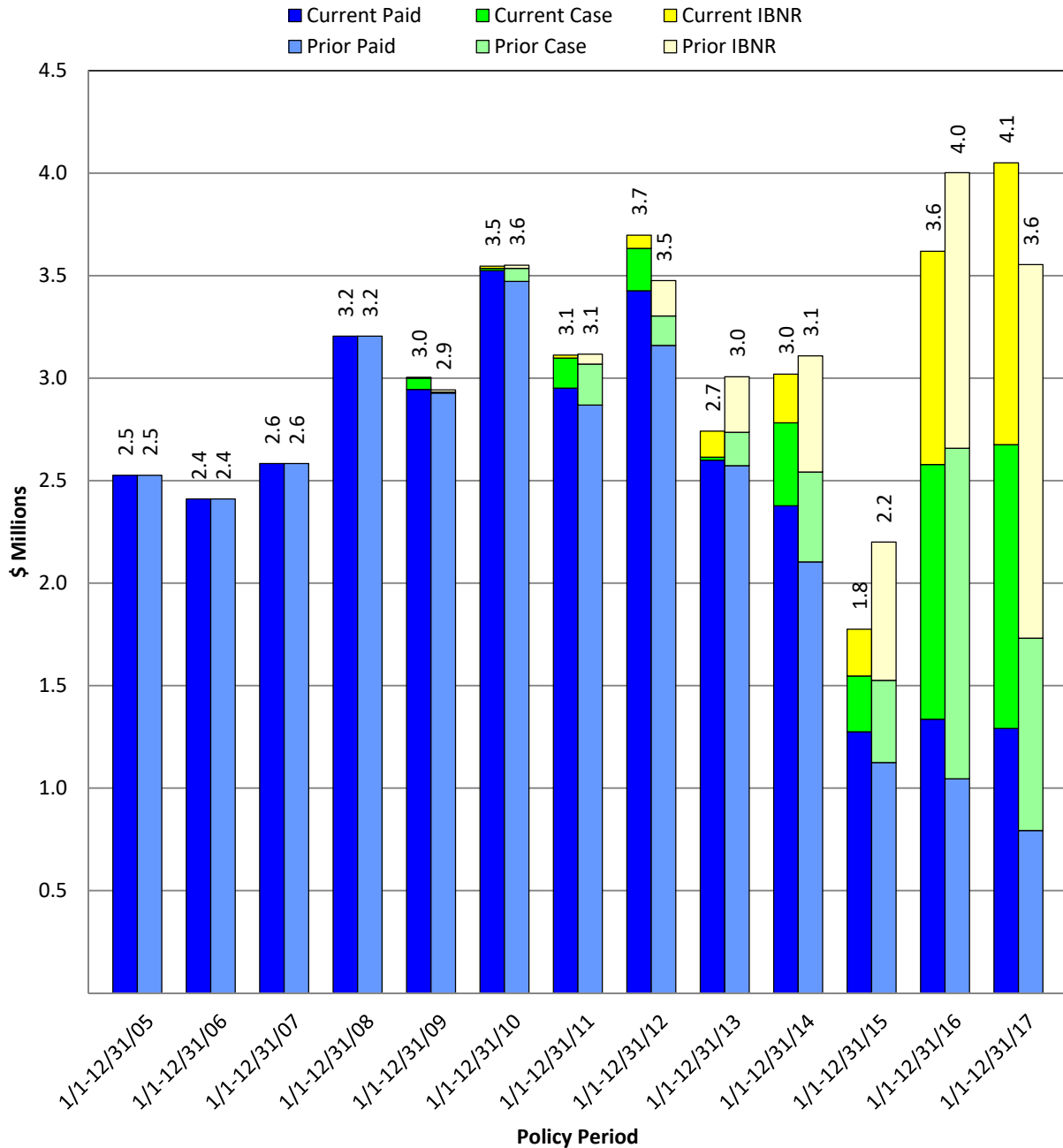
**UTAH COUNTIES INDEMNITY POOL****ALL COVERAGES****COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES TO PRIOR ACTUARIAL REPORT**  
(Limited to Specific Retentions)

Figure 3

**UTAH COUNTIES INDEMNITY POOL**

**LAW ENFORCEMENT LIABILITY**

**HISTORICAL AND EXPECTED DEVELOPMENT OF INCURRED LOSSES**

(Unlimited Losses Including ALAE Gross of Recoveries)

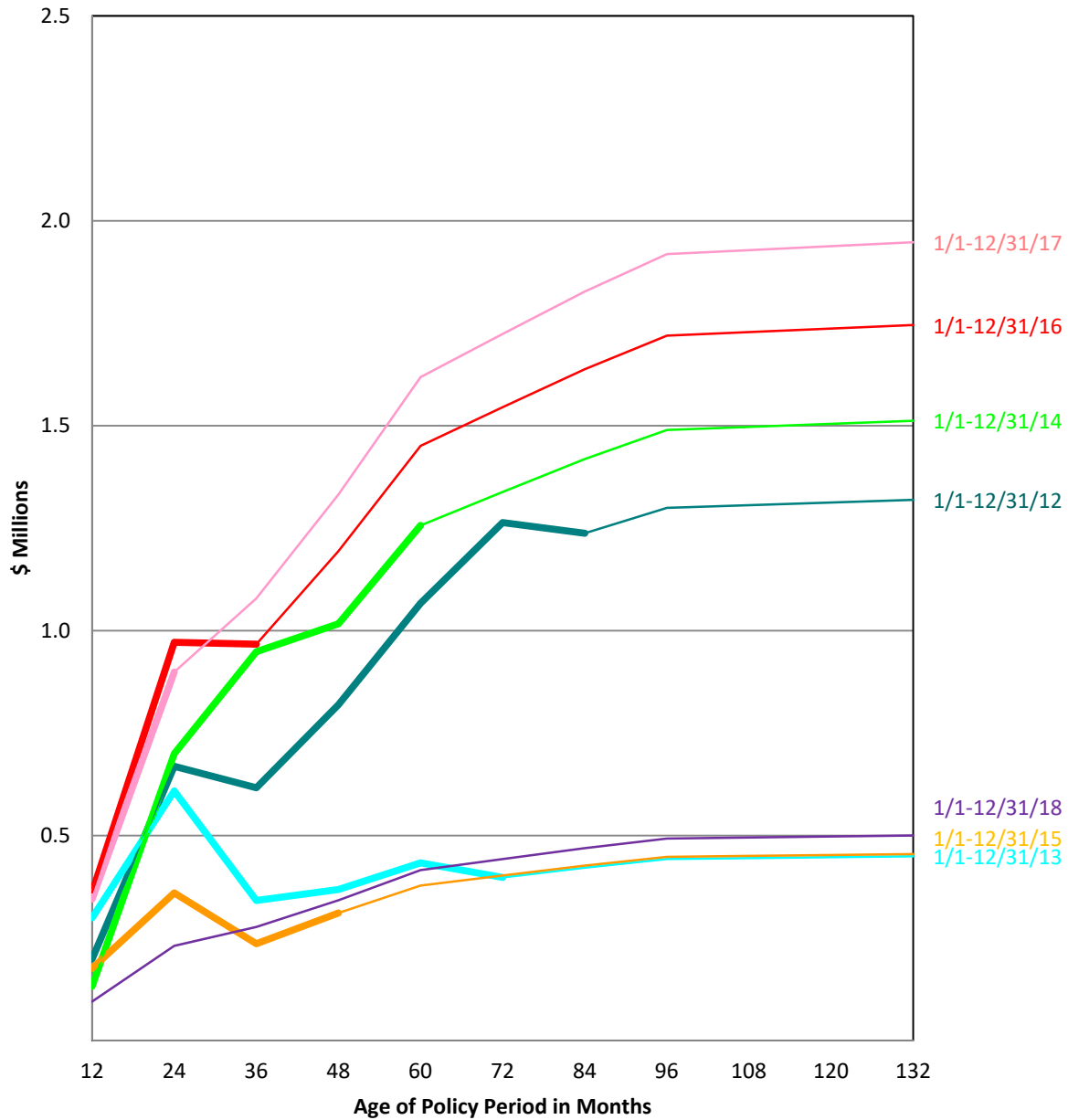


Figure 4

**UTAH COUNTIES INDEMNITY POOL**

**LAW ENFORCEMENT LIABILITY**

**HISTORICAL AND EXPECTED DEVELOPMENT OF PAID LOSSES**

(Unlimited Losses Including ALAE Gross of Recoveries)

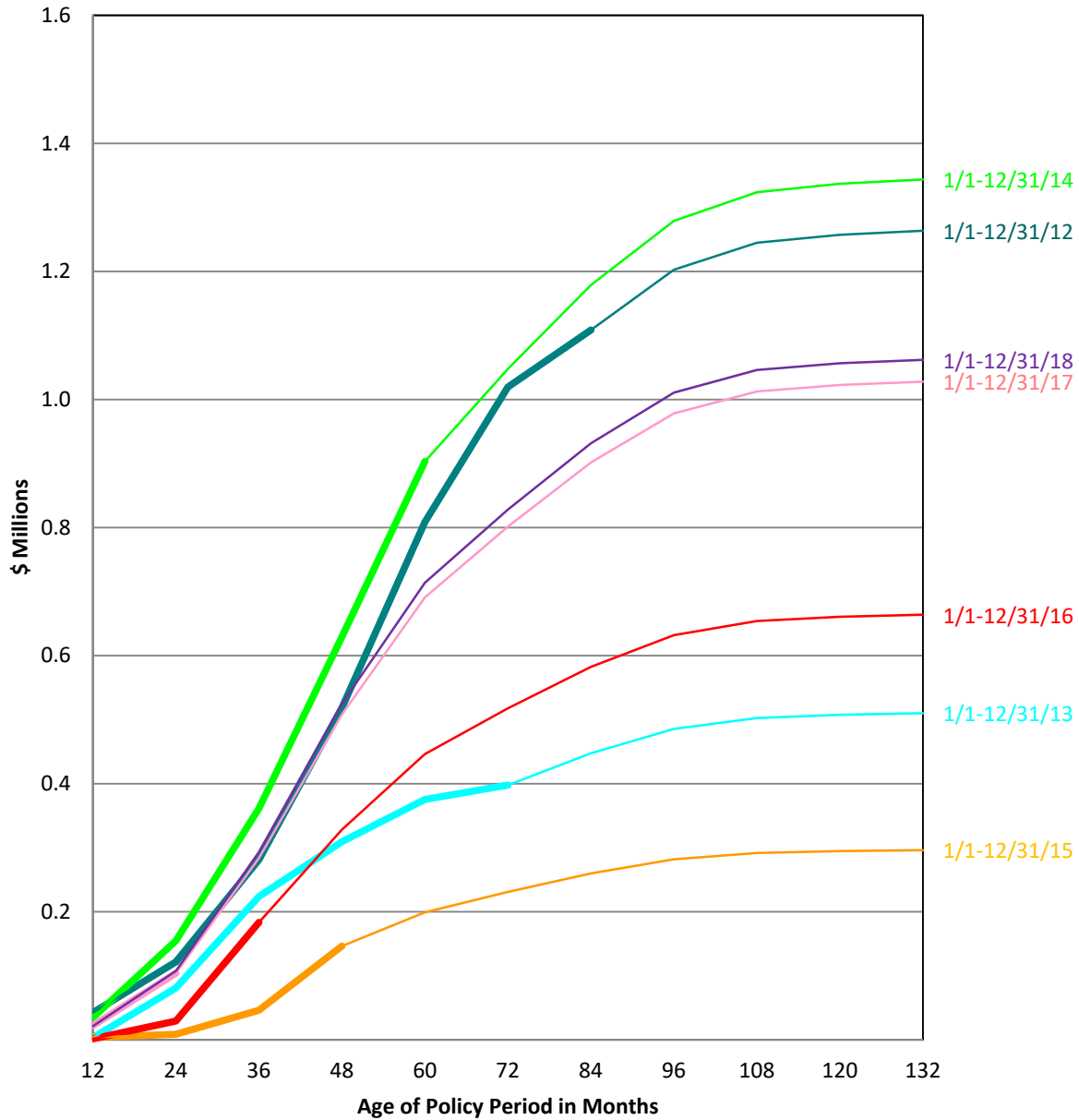


Figure 5

**UTAH COUNTIES INDEMNITY POOL**

**LAW ENFORCEMENT LIABILITY**

**SELECTED ESTIMATED ULTIMATE INCURRED LOSSES**

(Limited to Specific Retentions)

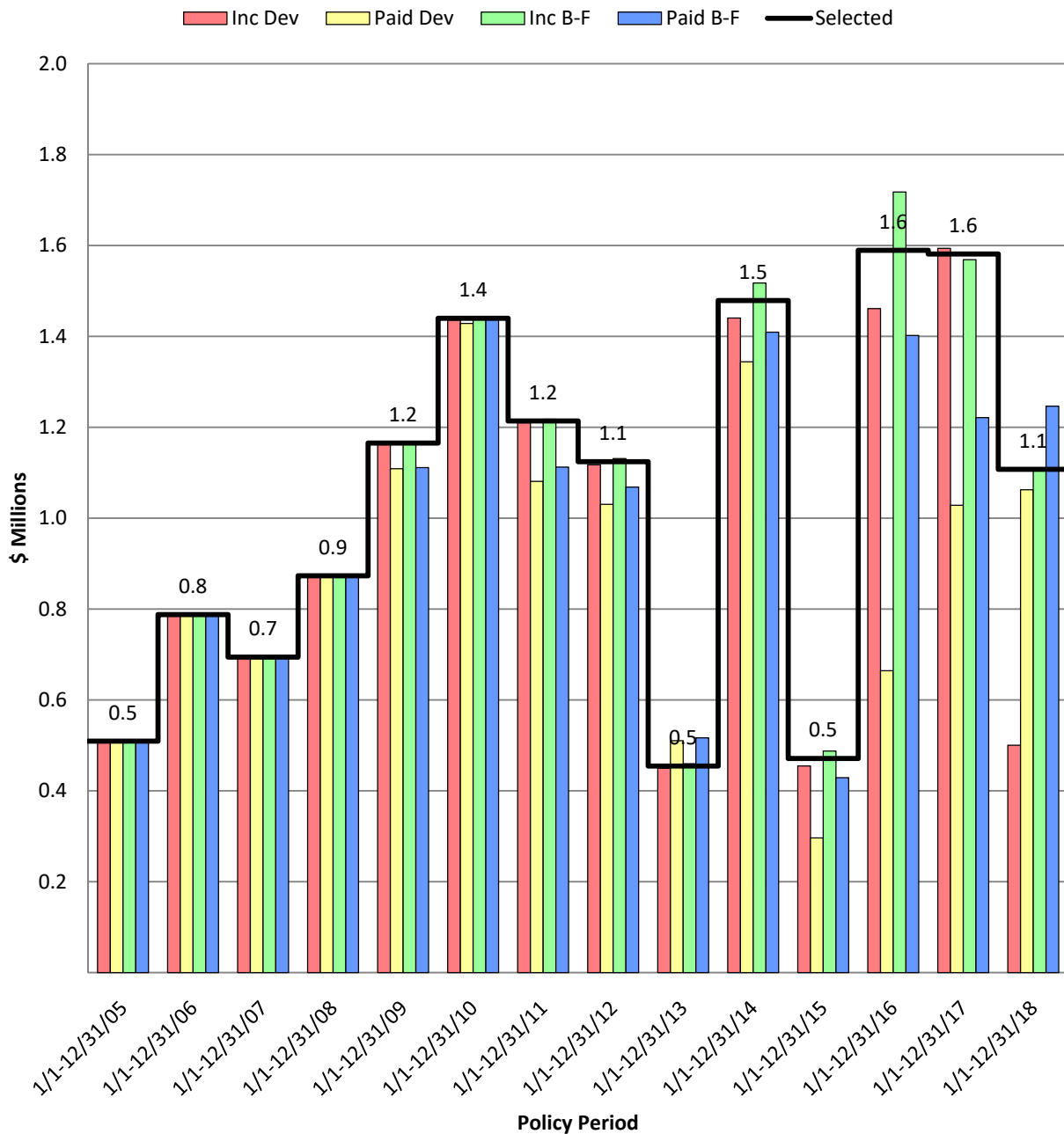


Table 43

**UTAH COUNTIES INDEMNITY POOL****ALL COVERAGES****ESTIMATED REQUIRED RESERVES AS OF 12/31/18**

(Limited to Specific Retentions)

(Net of Recoveries)

**A. LOSS SUMMARY**

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/18	Paid Losses as of 12/31/18
1/1-12/31/05	\$ 2,526,117	\$ 2,526,117	\$ 2,526,117
1/1-12/31/06	2,410,764	2,410,764	2,410,764
1/1-12/31/07	2,583,379	2,583,379	2,583,379
1/1-12/31/08	3,204,919	3,204,919	3,204,919
1/1-12/31/09	3,004,187	2,999,775	2,944,692
1/1-12/31/10	3,546,306	3,535,687	3,524,927
1/1-12/31/11	3,112,364	3,097,999	2,951,260
1/1-12/31/12	3,697,398	3,633,221	3,426,432
1/1-12/31/13	2,741,525	2,614,284	2,599,817
1/1-12/31/14	3,019,614	2,782,129	2,377,375
1/1-12/31/15	1,774,973	1,546,783	1,274,676
1/1-12/31/16	3,619,045	2,578,692	1,335,696
1/1-12/31/17	4,050,355	2,675,543	1,291,009
1/1-12/31/18	3,336,777	1,485,493	910,047
Total	\$42,627,723	\$37,674,785	\$33,361,110

**B. ESTIMATED REQUIRED RESERVES AS OF 12/31/18**

Policy Period	Case Reserves as of 12/31/18	Estimated IBNR as of 12/31/18	Estimated Required Reserves as of 12/31/18
1/1-12/31/05	\$ 0	\$ 0	\$ 0
1/1-12/31/06	0	0	0
1/1-12/31/07	0	0	0
1/1-12/31/08	0	0	0
1/1-12/31/09	55,083	4,412	59,495
1/1-12/31/10	10,760	10,619	21,379
1/1-12/31/11	146,739	14,365	161,104
1/1-12/31/12	206,789	64,177	270,966
1/1-12/31/13	14,467	127,241	141,708
1/1-12/31/14	404,754	237,485	642,239
1/1-12/31/15	272,107	228,190	500,297
1/1-12/31/16	1,242,996	1,040,353	2,283,349
1/1-12/31/17	1,384,534	1,374,812	2,759,346
1/1-12/31/18	575,446	1,851,284	2,426,730
Total	\$ 4,313,675	\$ 4,952,938	\$ 9,266,613

Table 45

## UTAH COUNTIES INDEMNITY POOL

## ALL COVERAGES

## HISTORICAL PROFITABILITY ANALYSIS

## A. ESTIMATED UNDERWRITING INCOME

Policy Period	Premium*	Operating Expenses*	Funds Available for Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income
1/1-12/31/01	\$ 3,222,871	\$ 1,489,185	\$ 1,733,686	\$ 1,715,000 <	\$ 18,686
1/1-12/31/02	3,505,736	1,644,953	1,860,783	1,850,000 <	10,783
1/1-12/31/03	3,930,854	2,042,668	1,888,186	2,418,838 <	( 530,652)
1/1-12/31/04	4,194,644	2,048,851	2,145,793	2,662,597 <	( 516,804)
1/1-12/31/05	4,217,591	2,046,257 #	2,171,334	2,526,117	( 354,783)
1/1-12/31/06	4,195,406	2,058,540 #	2,136,866	2,410,764	( 273,898)
1/1-12/31/07	4,676,898	2,426,559 #	2,250,339	2,583,379	( 333,040)
1/1-12/31/08	5,146,934	2,145,715	3,001,219	3,204,919	( 203,700)
1/1-12/31/09	5,573,525 ^	2,012,633 ^	3,560,892	3,004,187	556,705
1/1-12/31/10	5,710,286	2,444,578	3,265,708	3,546,306	( 280,598)
1/1-12/31/11	5,922,572	2,401,787	3,520,785	3,112,364	408,421
1/1-12/31/12	6,282,067	2,625,921	3,656,146	3,697,398	( 41,252)
1/1-12/31/13	5,085,489	2,679,532	2,405,957	2,741,525	( 335,568)
1/1-12/31/14	4,590,930	2,400,993	2,189,937	3,019,614	( 829,677)
1/1-12/31/15	5,150,384	2,551,287	2,599,097	1,774,973	824,124
1/1-12/31/16	5,829,233	2,495,762	3,333,471	3,619,045	( 285,574)
1/1-12/31/17	6,100,557	2,502,091	3,598,466	4,050,355	( 451,889)
1/1-12/31/18	6,123,084 ~	2,737,480 ~	3,385,604	3,336,777	48,827
Total	\$89,459,061	\$40,754,792	\$48,704,269	\$51,274,158	(\$2,569,889)

## B. ESTIMATED FUND BALANCE

Policy Period	Estimated Underwriting Income	Interest & Other Income*	Estimated Net Income	Dividends*	Estimated Net Income After Dividends
1/1-12/31/01	\$ 18,686	\$ 434,407	\$ 453,093		\$ 453,093
1/1-12/31/02	10,783	237,750	248,533		248,533
1/1-12/31/03	( 530,652)	223,149	( 307,503)		( 307,503)
1/1-12/31/04	( 516,804)	230,501	( 286,303)		( 286,303)
1/1-12/31/05	( 354,783)	400,393	45,610		45,610
1/1-12/31/06	( 273,898)	618,976	345,078		345,078
1/1-12/31/07	( 333,040)	554,819	221,779		221,779
1/1-12/31/08	( 203,700)	( 42,271)	( 245,971)		( 245,971)
1/1-12/31/09	556,705	176,378 ^	733,083		733,083
1/1-12/31/10	( 280,598)	302,702	22,104		22,104
1/1-12/31/11	408,421	520,411	928,832		928,832
1/1-12/31/12	( 41,252)	437,299	396,047		396,047
1/1-12/31/13	( 335,568)	( 16,887)	( 352,455)	\$ 91,328	( 443,783)
1/1-12/31/14	( 829,677)	560,974	( 268,703)		( 268,703)
1/1-12/31/15	824,124	229,670	1,053,794		1,053,794
1/1-12/31/16	( 285,574)	368,436	82,862		82,862
1/1-12/31/17	( 451,889)	291,111	( 160,778)		( 160,778)
1/1-12/31/18	48,827	321,319 ~	370,146		370,146
Total	(\$2,569,889)	\$5,849,137	\$3,279,248	\$ 91,328	\$3,187,920

\* From the audited financial statements.

&lt; Incurred losses as of 12/31/18 limited to specific and aggregate retentions.

# Split administrative expenses 19% workers compensation and 81% multi-line at UCIP's request.

^ Split workers compensation and multi-line based on estimates provided by UCIP.

~ Estimated by UCIP.

Figure 6

**UTAH COUNTIES INDEMNITY POOL**

**ALL COVERAGES**

**HISTORICAL PROFITABILITY ANALYSIS**

(Excluding Investment Income)

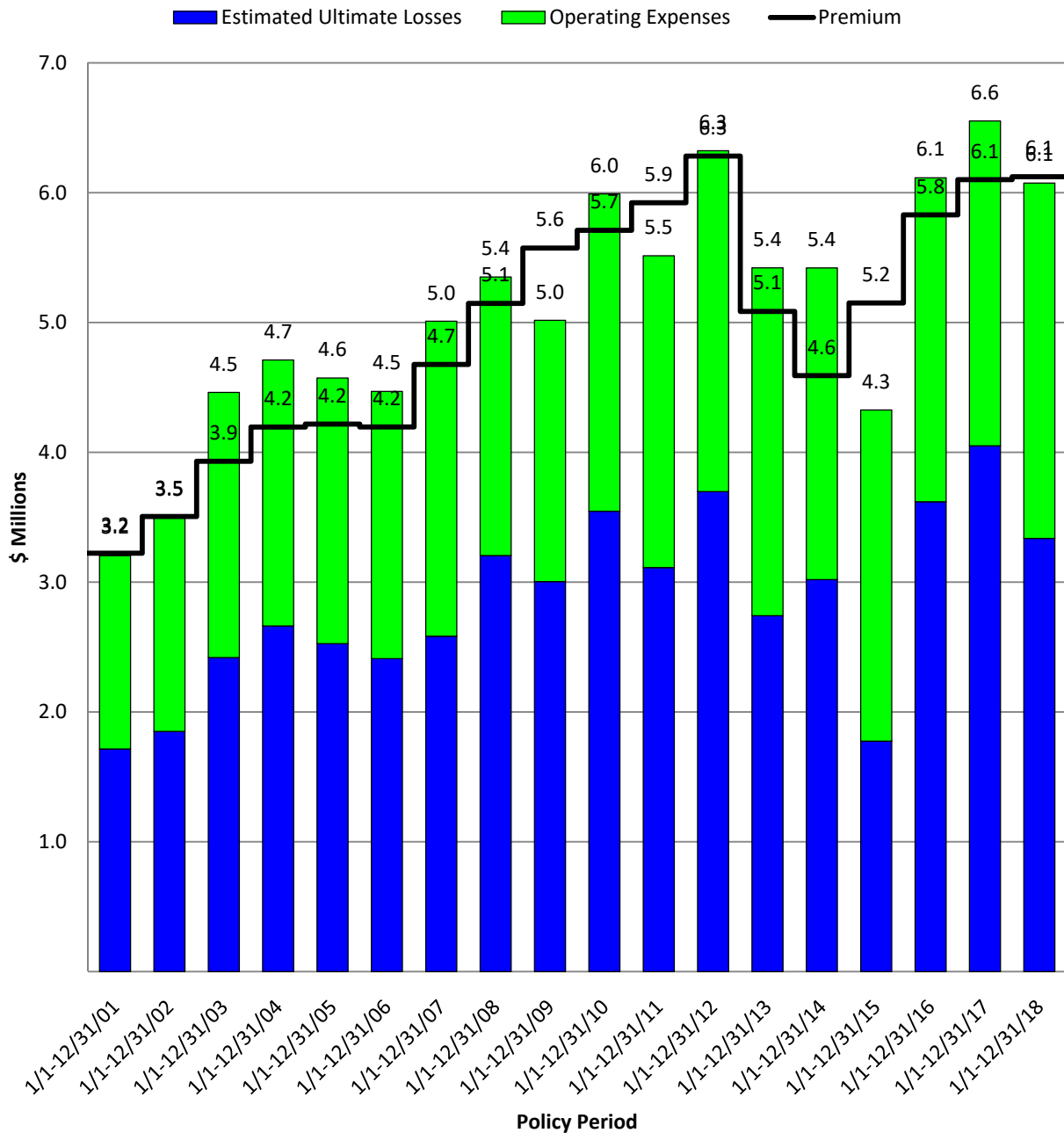




Table 46

**UTAH COUNTIES INDEMNITY POOL****ALL COVERAGES****LOSS RATIOS**(Limited to Specific Retentions)  
(Net of Recoveries)

Policy Period	Paid Loss Ratio as of 12/31/18	Incurred Loss Ratio as of 12/31/18	Estimated Ultimate Incurred Loss Ratio	Permissible Loss Ratio (Funds Available/ Premium)	Combined Ratio [(Losses+ Expenses)/ Premium]
1/1-12/31/05	0.599	0.599	0.599	0.515	1.084
1/1-12/31/06	0.575	0.575	0.575	0.509	1.065
1/1-12/31/07	0.552	0.552	0.552	0.481	1.071
1/1-12/31/08	0.623	0.623	0.623	0.583	1.040
1/1-12/31/09	0.528	0.538	0.539	0.639	0.900
1/1-12/31/10	0.617	0.619	0.621	0.572	1.049
1/1-12/31/11	0.498	0.523	0.526	0.594	0.931
1/1-12/31/12	0.545	0.578	0.589	0.582	1.007
1/1-12/31/13	0.511	0.514	0.539	0.473	1.066
1/1-12/31/14	0.518	0.606	0.658	0.477	1.181
1/1-12/31/15	0.247	0.300	0.345	0.505	0.840
1/1-12/31/16	0.229	0.442	0.621	0.572	1.049
1/1-12/31/17	0.212	0.439	0.664	0.590	1.074
1/1-12/31/18	0.149	0.243	0.545	0.553	0.992
Total			0.571	0.551	1.021

# Utah Counties Indemnity Pool

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**FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT, REQUIRED  
SUPPLEMENTARY INFORMATION AND OTHER INDEPENDENT AUDITOR'S REPORTS**  
*For the Year Ended December 31, 2018*

Draft



**Larson**  
CERTIFIED PUBLIC ACCOUNTANTS

# UTAH COUNTIES INDEMNITY POOL

## CONTENTS

	<u>Page</u>
<b>Independent Auditor's Report.....</b>	2-3
<b>Management's Discussion and Analysis .....</b>	5-10
<b>Basic Financial Statements:</b>	
Statement of Net Position .....	11
Statement of Revenues, Expenses and Changes in Net Position .....	12
Statement of Cash Flows .....	13
<b>Notes to Basic Financial Statements.....</b>	14-28
<b>Required Supplementary Information:</b>	
Premiums and Loss Development Information .....	30
Schedule of the Proportionate Share of the Net Pension Liability .....	31
Schedule of Contributions .....	32
Notes to Required Supplemental Information .....	33
<b>Other Independent Auditor's Reports for the Year     Ended December 31, 2018 on:</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	35-36
Report on Compliance and Report on Internal Control Over Compliance as Required by the <i>State Compliance Audit Guide</i> .....	37-38



## **Independent Auditor's Report**

The Board of Directors  
**Utah Counties Indemnity Pool**

We have audited the accompanying financial statements of **Utah Counties Indemnity Pool** as of and for the year ended December 31, 2018, and the related notes to the financial statements, as listed in the foregoing table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of **Utah Counties Indemnity Pool** as of December 31, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the reconciliation of the claims liability and losses and loss adjustment expenses, the contributions and loss development information, the schedule of the proportionate share of the net pension liability, and the schedule of

contributions, as listed in the table of contents, be presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2019, on our consideration of the Pool's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Salt Lake City, Utah  
April 19, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Draft

## **UTAH COUNTIES INDEMNITY POOL**

Management's Discussion and Analysis  
(Unaudited)  
Year Ended December 31, 2018

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In conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, the management of the Utah Counties Indemnity Pool (the Pool or UCIP) presents this Management's Discussion and Analysis for the readers of UCIP's financial statements. Our intent is to provide a narrative overview and analysis of the financial activities of UCIP for the fiscal year ended December 31, 2018. Readers are encouraged to consider this information in conjunction with the financial statements, notes to the financial statements and required supplementary information included in the independent auditors' report.

### **FINANCIAL STATEMENTS PROVIDED**

Included in the independent auditors' report are the basic financial statements required under the GASB standards including:

- Statements of Net Position – Accounts for all assets, deferred outflows or resources, liabilities and deferred inflows of resources of UCIP as of December 31, 2018, showing the balance of net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) as of that date.
- Statements of Revenues, Expenses, and Changes in Net Position – Accounts for all revenue and expenses accrued for the fiscal period, with calculation of the change in net position (revenue minus expenses) for the period. Expenses are classified as Operating Expenses (primarily consisting of expected losses to be paid and the cost of excess insurance covering catastrophic losses) and Administrative Expenses (primarily consisting of staff salaries and benefits and office operations). Expenses are further categorized to provide a level of detail appropriate for general management overview and control.
- Statements of Cash Flows – Accounts for all revenues and expenses received or paid during the fiscal period with a calculation of net increase in cash and cash equivalents (revenue minus expenses) and total cash and cash equivalents at the end of the period. This statement provides a contrasting view of the revenues and expenses from the Statement of Revenues, Expenses, and Changes in Net Position as it accounts for revenues and expenses that were actually received or paid during the period, regardless of when the revenue was earned or due, or when the expense was accrued or invoiced.

### **BASIS OF ACCOUNTING METHODS**

Financial statements provided in this report are reported using the Governmental Accounting Standards Board (GASB) basis of accounting. Traditional insurance companies often utilize statutory accounting methods in development of their financial statements that differ significantly from GASB accounting methods. Attempts to perform simple comparisons or benchmark analysis of a commercial carrier's financial reports and the financial reports contained here will likely yield distorted results.

## UTAH COUNTIES INDEMNITY POOL

Management's Discussion and Analysis  
(Unaudited)  
Year Ended December 31, 2018

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### CONDENSED FINANCIAL INFORMATION

The following Condensed Financial Statements are meant to provide a summary view of the audited financial statements as support for comments and analysis of the financial condition of UCIP offered by management in this letter.

#### Assets and Liabilities

Current assets increased \$3,156,048 at year end 2018 compared to the prior year-end. Investments decreased \$1,311,797 for the same period. Capital assets increased \$4,023 as a result of computer and equipment purchases. Deferred outflows of resources in the amount of \$142,815 for the year ended 2018 and \$168,435 for the year ended 2017 are reflected as a result of the implementation of GASB 68. Deferred outflows related to pensions decreased \$25,620. Total assets increased \$1,822,654 as of December 31, 2018 over the prior year.

Total liabilities at year-end 2018 increased \$831,073 over year-end 2017. This increase was primarily the result of a \$480,521 increase in member contributions paid in advance and a \$374,688 increase in reserves for losses and loss adjustment expense. Noncurrent liabilities in the year 2018 and 2017 are reflected as a result of the implementation of GASB 68, Accounting and Financial Reporting for Pensions. The statement requires employers providing defined benefit pensions through pension plans administered as trusts, to recognize their long-term obligation for those benefits as a liability. The Pool provides a defined pension plan to certain employees through the Utah Retirement Systems (URS) and therefore, the Pool has recorded a noncurrent liability of \$170,270 in 2018 and \$253,476 in 2017. Inflows related to pensions amounted to \$84,701 in 2018.

In 2018 and 2017, net position increased by \$990,894 and by \$268,263, respectively, during the fiscal years then ended.

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## UTAH COUNTIES INDEMNITY POOL

Management's Discussion and Analysis

(Unaudited)

Year Ended December 31, 2018

The condensed statements of net assets for the years ended 2018 and 2017 are shown as follows:

	<u>2018</u>	<u>2017</u>	<u>Net Change</u>
Assets:			
Current and other assets	\$13,811,044	\$10,654,996	\$ 3,156,048
Capital assets	542,719	538,696	4,023
Investments	2,686,091	3,997,888	(1,311,797)
Outflows related to pensions	142,815	168,435	(25,620)
Total assets	<u>\$17,182,669</u>	<u>\$15,360,016</u>	<u>\$ 1,822,654</u>
Liabilities:			
Current and other liabilities	\$ 1,665,032	\$ 1,166,784	\$ 498,248
Reserve for losses and loss adjustment	9,350,613	8,975,925	374,688
Noncurrent liabilities	170,270	253,476	(83,206)
Inflows related to pensions	84,701	42,671	42,030
Total liabilities	<u>11,270,616</u>	<u>10,438,856</u>	<u>831,760</u>
Net position:			
Invested in capital assets	542,719	538,696	4,023
Unrestricted	5,369,334	4,382,463	986,871
Total net position	<u>5,912,053</u>	<u>4,921,159</u>	<u>990,894</u>
Total liabilities and net position	<u>\$17,182,669</u>	<u>\$15,360,016</u>	<u>\$ 1,822,654</u>

### Operating Revenue and Expense

Revenue from contributions increased \$23,610 for a total of \$6,124,167 in 2018. This increase is attributed to an increase in member exposures. Other income increased \$4,097 primarily from the sale of computers and equipment. Operating expenses decreased \$607,409 from the prior year due to a decrease in loss and loss adjustment expenses.

The condensed statements of operating revenue and expense for the years ended 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>	<u>Net Change</u>
Operating revenue:			
Contributions	\$ 6,124,167	\$ 6,100,557	\$ 23,610
Investment income	361,094	276,238	84,856
Other income	24,208	20,111	4,097
Total operating revenues	<u>6,509,469</u>	<u>6,396,906</u>	<u>112,563</u>
Operating expenses:			
Loss and loss adjustment expenses	2,818,293	3,621,314	(803,021)
Reinsurance coverage	1,702,872	1,593,158	109,714
Administration	994,831	908,933	85,898
Total operating expenses	<u>5,515,996</u>	<u>6,123,405</u>	<u>(607,409)</u>
Net operating income	<u>993,473</u>	<u>273,501</u>	<u>719,972</u>
Unrealized loss on investments	(2,579)	(5,238)	2,659
Change in net position	<u>\$ 990,894</u>	<u>\$ 268,263</u>	<u>\$ 722,631</u>

## UTAH COUNTIES INDEMNITY POOL

Management's Discussion and Analysis

(Unaudited)

Year Ended December 31, 2018

### Investments

As a governmental subdivision regulated by the Money Management Council (MMC), UCIP invests the majority of funds in the Public Treasurers' Investment Fund (PTIF). Utilizing this "safe harbor" for compliance with the Money Management Act also provides UCIP significant liquidity and protection of capital in its invested assets. In 2018, UCIP created a new restricted account in the PTIF to comply with the MMC's Rule 4 for Interlocal Agencies providing crime insurance. \$125,000 equals 50% of the per occurrence limit of crime coverage.

In 2011, UCIP moved \$2,000,000 of invested funds to Zions Capital Advisors in anticipation of increasing investment rates. While investments with Zions Capital Advisors outperformed the PTIF by a small amount in 2018 and 2017, it is anticipated these investments will outpace the PTIF more significantly as the market strengthens.

Equity investments consist of equity ownership in County Reinsurance Limited (CRL), a property and liability reinsurance pool of county-based pools across the United States. UCIP is a member of CRL.

The condensed statements of cash and cash equivalents and investments for the years ended 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>	<u>Net Change</u>
Cash and cash equivalents:			
Cash on deposit	\$ 4,820,193	\$ 3,649,685	\$ 1,170,509
Public Treasurers' Investment Fund	8,602,694	6,655,839	1,946,855
Zions Capital Advisors	90,988	99,424	(8,436)
Total cash and cash equivalents	<u>13,513,875</u>	<u>10,404,947</u>	<u>3,108,927</u>
Investments:			
Investments - U.S. government securities	495,304	1,846,876	(1,351,572)
Equity investment in County Reinsurance Limited	2,190,787	2,151,012	39,775
Total investments	<u>2,686,091</u>	<u>3,997,888</u>	<u>(1,311,797)</u>
Total cash and cash equivalents and investments	<u>\$16,199,966</u>	<u>\$14,402,835</u>	<u>\$ 1,797,129</u>

### Financial Position

The Net Asset Management Policy was adopted by the Board to actively manage UCIP's net position between 50-250% of annual revenue. The Policy provides that when net position exceeds 250% of annual revenue, the Board shall issue dividends unless the Board has specific needs for such surplus as described in the Net Asset Management Policy. Dividends may be issued as Experience Dividends, Equity Dividends and/or Member in Good Standing Dividends based on the UCIP Dividend Policy. Based on the 2018 member contributions of \$6,124,167, the surplus (net position) to contributions (revenue) ratio at year end 2018 was within the Net Asset Management Policy and industry standards.

## UTAH COUNTIES INDEMNITY POOL

Management's Discussion and Analysis

(Unaudited)

Year Ended December 31, 2018

The condensed statements of changes in net position for the years ended 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>	<u>Net Change</u>
Revenues and expenses:			
Revenues	\$ 6,506,890	\$ 6,391,668	\$ 115,222
Expenses	<u>5,515,996</u>	<u>6,123,405</u>	<u>(607,409)</u>
Net income (loss)	990,894	268,263	722,631
Net position, beginning of year	<u>4,921,159</u>	<u>4,652,896</u>	<u>268,263</u>
Net position, end of year	<u>\$ 5,912,053</u>	<u>\$ 4,921,159</u>	<u>\$ 990,894</u>

### BUDGET

#### Revenue

Actual 2018 revenues were \$179,385 more than budgeted due to investment income performance.

#### Losses and Reinsurance Expenses

Actual 2018 expenses were \$433,835 less than budgeted due to decreases in losses and loss adjustment expenses and reinsurance expense.

#### Administrative Expenses

Management closely monitored budgeted administrative expenses of \$1,041,000 and was able to operate with actual expenses of \$994,831. The savings on actual to budgeted expenses was achieved primarily in the area of office operations.

### MARKET TRENDS IN 2018

Management anticipates continued competitive pressure due to protracted soft market conditions. To counteract this trend, management and the Board have worked to expand member services and strengthen its relationship with the Utah Association of Counties, which originally created UCIP.

#### Property

Changes in catastrophic loss models which significantly increased the modeled earthquake loss exposure for the entire state of Utah in 2011 were updated early in 2013 and again in 2016 with some reduction in the modeled earthquake exposure for portions of Utah, which may provide some relief on property reinsurance premiums from that budgeted for 2018.

## UTAH COUNTIES INDEMNITY POOL

Management's Discussion and Analysis  
(Unaudited)  
Year Ended December 31, 2018

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### Liability

While the overall market conditions are believed to remain competitive, signs of carriers increasing liability premiums continued into 2018. Eventually, the liability market will increase premiums to improve their combined ratios to attract investors. This eventual "hardening" of the market will relieve some competitive pressure, but will also create increased reinsurance costs.

Questions concerning any of the information in this report, or any other matters related to UCIP's budget and finances should be addressed to the Chief Financial Officer, Utah Counties Indemnity Pool, 5397 S Vine, Murray, UT 84107.

Draft

# UTAH COUNTIES INDEMNITY POOL

## Statement of Net Position

As of December 31, 2018

### ASSETS

#### CURRENT ASSETS

Cash and cash equivalents	\$ 11,913,616
Short-term investments	1,600,259
Accounts receivable	1,987
Prepaid expenses	<u>295,182</u>
TOTAL CURRENT ASSETS	13,811,044

#### INVESTMENTS

2,686,091

#### PROPERTY AND EQUIPMENT

542,719

#### DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	<u>142,815</u>
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 17,182,669</u></u>
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### LIABILITIES AND NET POSITION

#### CURRENT LIABILITIES

Reserves for losses and loss adjustment expenses	\$ 9,350,613
Accrued expenses	117,156
Contributions paid in advance	<u>1,547,876</u>
TOTAL CURRENT LIABILITIES	11,015,645

#### NONCURRENT LIABILITIES

Net pension liability	170,270
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#### DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u>84,701</u>
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TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	11,270,616
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#### NET POSITION

Net investment in capital assets	542,719
Unrestricted	<u>5,369,334</u>
TOTAL NET POSITION	<u>5,912,053</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 17,182,669</u></u>
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The notes to the financial statements are an integral part of this statement

**UTAH COUNTIES INDEMNITY POOL**  
**Statement of Revenues, Expenses and Changes in Net Position**  
For the Year Ended December 31, 2018

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OPERATING INCOME	
Contributions	\$ 6,124,167
Investment Income	361,094
Other Income	<u>24,208</u>
TOTAL OPERATING INCOME	6,509,469
UNDERWRITING EXPENSES	
Losses and Loss Adjustment Expenses	2,818,293
Reinsurance Coverage	<u>1,702,872</u>
TOTAL UNDERWRITING EXPENSES	4,521,165
ADMINISTRATION EXPENSES	
Directors	31,501
Depreciation	2,342
Risk Management	55,772
Public Relations	20,424
Office	98,382
Financial/Professional	90,543
Personnel	<u>695,867</u>
TOTAL ADMINISTRATION EXPENSES	<u>994,831</u>
TOTAL OPERATING EXPENSES	<u>5,515,996</u>
NET OPERATING INCOME	993,473
OTHER INCOME/(EXPENSES)	
Unrealized Loss on Marketable Securities	<u>(2,579)</u>
TOTAL OTHER EXPENSES	<u>(2,579)</u>
CHANGE IN NET POSITION	990,894
NET POSITION AT BEGINNING OF YEAR	<u>4,921,159</u>
NET POSITION AT END OF YEAR	<u><u>\$ 5,912,053</u></u>

The notes to the financial statements are an integral part of this statement

## UTAH COUNTIES INDEMNITY POOL

### Statement of Cash Flows

For the Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Contributions collected	\$ 6,602,701
Other fees collected	24,208
Reinsurance paid	(1,748,005)
Losses and loss expenses paid	(2,443,605)
Cash paid to employees	(745,623)
Other administrative expenses paid	(296,622)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	<u>1,393,054</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(295,051)
Sale of investments	200,000
Investment income	323,898
Purchase of capital assets	88,238
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	<u>317,084</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,710,138
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>10,203,478</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 11,913,616</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in net position	\$ 990,894
Adjustments to reconcile change in net position to net cash flows used by operating activities	
Depreciation	2,342
Interest on investments	(321,319)
Increase in equity in CRL	(39,775)
Net outflows of resources relating to pension	(66,796)
Unrealized gain on investments	2,579
Accounts receivable	(1,987)
Reserves for loss and loss adjustment expenses	374,688
Accrued expenses	17,040
Contributions paid in advance	480,521
Total adjustments	<u>402,160</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,393,054</u>

The notes to the financial statements are an integral part of this statement

## UTAH COUNTIES INDEMNITY POOL

### Notes to the Financial Statements

Year Ended December 31, 2018

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#### NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Nature of Operations

The Utah Counties Indemnity Pool (the Pool or UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual (the Mutual). In July 2003, the Mutual was renamed the Utah Counties Insurance Pool. In January 2012, the Pool was renamed the Utah Counties Indemnity Pool. The Pool is a non-profit Interlocal entity formed under Section 11-13-101 et. seq. *Utah Code Annotated, 1953* as amended, operated as a joint liability reserve fund under Section 63G-7-703 and 801 for counties who enter into the Interlocal Agreement that creates UCIP. The Pool is referred to as a “public agency insurance mutual” under the insurance statutes of the State of Utah, Section 31A-1-103(7). All of the Pool’s business activities are conducted in the State of Utah.

##### Accounting Principles

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The Pool has adopted Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments, GASB Statement No. 37, Basic Financial Statement and Management’s Discussion and Analysis for State and Local Governments: Omnibus, and GASB Statement No. 38, Certain Financial Statement Note Disclosures. The Pool has also adopted GASB Statement No. 40, Deposit and Investment Risk Disclosures, GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, and GASB Statement No. 68, Accounting and Financial Reporting for Pensions. With the implementation of these statements, the Pool has prepared required supplementary information titled “Management’s Discussion and Analysis” which precedes the basic financial statements, has prepared a balance sheet classified between current and noncurrent assets and liabilities, has categorized net position as net invested in capital assets and unrestricted, has prepared the statements of cash flows on the direct method, and provided additional schedules to better communicate the financial status of the governmental entity.

The accounting policies of the Pool conform to accounting principles generally accepted in the United States of America in all material respects. The following is a summary of the more significant policies.

##### Basis of Accounting

The Pool reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

##### Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Specifically, the Pool’s reserves for losses and loss adjustment expenses are subject to change and actual results could differ from those estimates.



**UTAH COUNTIES INDEMNITY POOL**  
**Notes to the Financial Statements**  
Year Ended December 31, 2018

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NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Income Taxes*

The Pool is exempt from the payment of income taxes under Section 115 of the Internal Revenue Code.

*Compensated Absences*

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as accrued expenses.

*Cash and Cash Equivalents*

For purposes of the statement of cash flows, the Pool considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents. Therefore, the investments in the Utah Public Treasurers' Fund (PTIF) and cash on deposit are considered to be cash equivalents.

*Investments*

Investments are comprised of various U.S. Government securities, certificates of deposit and investments in County Reinsurance Limited (CRL).

Investments in U.S. Government securities as of December 31, 2018 consist of held-to-maturity securities. Held-to-maturity securities are reported at cost, adjusted for amortization of premiums and accretion of discounts that are recognized in interest income using the effective interest method over the period to maturity.

The investments in CRL are valued using the equity method of accounting. Under the equity method, the Pool recognizes its proportionate share of the net earnings or losses of CRL, which represents its share of the undistributed earnings or losses of CRL.

*Investment Valuation*

The Association categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value:

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

*Contributions Paid in Advance*

Contributions paid by members prior to January 1 of the next calendar year are considered to be deferred until January 1 and are reported as liabilities in the statement of net assets.

## UTAH COUNTIES INDEMNITY POOL

### Notes to the Financial Statements

Year Ended December 31, 2018

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#### NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Ancillary Coverages

The Pool assists members in placing coverage for exposures not included in the coverage addendum, i.e., aircraft hull, airport liability, bonds, builder's risk, excess cyber liability, and workers compensation. The Pool does not receive any fees on monies collected for member coverage placement.

##### Contributions

Contributions are collected annually on January 1.

##### Capital Assets

Capital assets are defined by the Pool as assets with an initial individual cost of more than \$5,000. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from three to five years. Depreciation expense for the year ended December 31, 2018 amounted to \$2,342.

##### Net Asset Management

To assure that the Pool's assets are adequate without holding excessive net assets, the Pool manages net asset levels between 100% and 200% of annual revenue. Net assets should be controlled within a minimum of 50% and a maximum of 250% of annual revenue. The Pool utilizes a Rate Stabilization Fund and a Dividend Plan to manage net assets.

The Rate Stabilization Fund is utilized to designate surplus to fund unexpected increases in expenses, which necessitate increases in rates short term to allow rate increases to be made incrementally, or to negate temporary rate increases. The Rate Stabilization Fund is a Board-designated portion of unrestricted net assets to be deducted from the Total Net Assets (referred to as Unrestricted Net Position on the financial statements) when determining Net Assets available for payment of dividends to members and, as required by GASB, is reported as a designation only in the notes to the financial statements. The balance in the Rate Stabilization Fund at December 31, 2018 was \$200,000.

The Dividend Plan is utilized by the Board to return excess net assets to members.

The Net Asset Management Plan indicates net assets should not exceed 250% of contributions unless the Pool has specific needs for such surplus, which may include the following: expectation of new membership; development of a new line of coverage; development of new or expanded coverage; or development of new or expanded services.

## UTAH COUNTIES INDEMNITY POOL

### Notes to the Financial Statements

Year Ended December 31, 2018

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#### NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### Deferred Outflows/ Inflows of Resources

In addition to assets, the Pool reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the Pool reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

##### Reserves for Losses and Loss Adjustment Expenses

The reserves for losses and loss adjustment expenses include an amount actuarially determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. The liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided.

The Pool's actuary provides a range of estimates of the reserves for losses and loss adjustment expenses at three levels of confidence: low (50% confidence), expected (66% confidence) and high (80% confidence). Accounting standards require the Pool to book the "expected" level of reserves on their financial statements, and does not allow for the Board to designate or delineate any other amount in the range on the financial statements. In consideration of their duty to protect public funds and the inability of the Pool to assess members if reserves are not adequate, the Board prefers to reserve for claims with greater confidence than the 66% "expected" level.

To accomplish this, while complying with audit standards, the Board has adopted as part of their Net Asset Management Plan a Claims Deterioration Fund, an amount voluntarily designated by the Board as Net Assets to be deducted from Total Net Assets (referred to as Unrestricted Net Position on the financial statements) when determining Net Assets available for payment of dividends to members. The balance in the Claims Deterioration Fund at December 31, 2018 was \$430,000.

In 2013, the Board approved designating \$430,000 into the Claim Deterioration Fund to assure these additional funds are available if the "expected" claim reserves are ultimately found to be inadequate to pay all liabilities of the Pool. The Board believes managing Net Assets in this

## UTAH COUNTIES INDEMNITY POOL

### Notes to the Financial Statements

Year Ended December 31, 2018

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manner protects members from large rate increases in the event claims experience does deteriorate.

#### Subsequent Events

Management of the Pool has evaluated subsequent events through April 10, 2019, which is also the date the financial statements were available to be issued. No subsequent events were noted during this evaluation that requires recognition or disclosure in these financial statements.

## NOTE 2- CASH AND CASH EQUIVALENTS AND INVESTMENTS

Listed below is a summary of the cash and investment portfolios as of December 31, 2018. Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Pool are considered to have been made in accordance with these governing statutes including the State Money Management Act.

#### Cash and Cash Equivalents

Cash and cash equivalents of the Pool are carried at cost. The carrying amount of the cash on deposit, net of outstanding checks, is \$3,219,934 as of December 31, 2018. The corresponding bank balance of the deposits was \$3,229,823 as of December 31, 2018.

All of the Pool's cash on deposit bank accounts are noninterest-bearing. All noninterest-bearing and other depositors' accounts will be aggregated and insured up to the standard maximum deposit insurance amount of \$250,000 for each deposit insurance ownership category.

The Public Treasurers' Investment Fund (PTIF) is a pooled investment fund enabling public agencies to benefit from the higher yields offered on large denomination securities. The PTIF is similar in nature to a money market fund but the PTIF is subject to oversight by the State Money Management Council and all investments in PTIF are considered to be in compliance with the State Money Management Act.

The PTIF invests in corporate debt, U.S. Agency notes, certificates of deposit and commercial paper. The maximum final maturity of any security invested in by the PTIF is limited to five years.

The maximum weighted average life of the portfolio is limited to 90 days. There is no maturity date on an entity's investment in the PTIF. PTIF deposits are not insured or otherwise guaranteed by the State of Utah.

Zions Capital Advisors (ZCA) is an investment advisory firm certified by the State Money Management Council and all investments with ZCA are in compliance with the State Money Management Act. The maximum final maturity of any security invested in by ZCA is limited to three years. ZCA investments are not insured or otherwise guaranteed.

**UTAH COUNTIES INDEMNITY POOL**  
**Notes to the Financial Statements**  
Year Ended December 31, 2018

**NOTE 2- CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

As of December 31, 2018, the Pool's cash and cash equivalents and investments included the following:

	<u><b>2018</b></u>
Cash on deposit	\$ 3,219,934
Public Treasurers' Investment Fund	8,602,694
Zions Capital Advisors	<u>90,987</u>
Total cash and cash equivalents	<u>11,913,616</u>
Investments - debt securities	2,095,563
Equity investment in County Reinsurance Limited	<u>2,190,787</u>
Total investments	<u>4,286,350</u>
Total cash and cash equivalents and investments	<u><u>\$ 16,199,966</u></u>

*Custodial Credit Risk*

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Pool's bank balances exceeded FDIC coverage by \$2,979,823 as of December 31, 2018.

*Investments*

The Pool records its investments in U.S. Government Securities at market value. The Pool records investments with County Reinsurance Limited (CRL) using the equity method of accounting. Investments in CRL are confirmed annually.

All other investments are through the Public Treasurers' Investment Fund (PTIF). The differences between book value and fair value, as of December 31, 2018 are as follows:

	<u><b>Cost</b></u>	<u><b>Gross Unrealized Gains</b></u>	<u><b>Gross Unrealized Losses</b></u>	<u><b>Fair Value</b></u>	<u><b>Statement Value</b></u>
Securities	\$ 2,098,142	\$ 10,076	\$ (12,655)	\$ 2,095,563	\$ 2,095,563
Equity	<u>2,151,012</u>	<u>39,775</u>	<u>-</u>	<u>2,190,787</u>	<u>2,190,787</u>
Total investments	<u><u>\$ 4,249,154</u></u>	<u><u>\$ 49,851</u></u>	<u><u>\$ (12,655)</u></u>	<u><u>\$ 4,286,350</u></u>	<u><u>\$ 4,286,350</u></u>

**UTAH COUNTIES INDEMNITY POOL****Notes to the Financial Statements**

Year Ended December 31, 2018

**NOTE 2- CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)***Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Pool's policy for managing interest rate risk is to comply with the State Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. The Pool manages its exposure to declines in fair value by investing in the Public Treasurers' Investment Fund (PTIF) and other securities and by adhering to the Act.

Following are the Pool's investments at December 31, 2018:

<b>Investment Type</b>	<b>Carrying Amount and Fair Value</b>	<b>Investment Maturities (in years)</b>	
		<b>Less than 1</b>	<b>1-5</b>
Debt securities:			
Corporate bonds	\$ 1,003,816	\$ -	\$ 1,003,816
Mortgage backed securities	1,091,747	-	1,091,747
Total debt securities	2,095,563	-	2,095,563
Other investments:			
CRL equity	2,190,787		
Total Other Investments	2,190,787		
Total investments	\$ 4,286,350		

*Interest Rate Risk*

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments' fair value measurements are as follows at December 31, 2018:

<b>Asset class:</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Debt securities:</b>				
Corporate bonds	\$ 1,003,816	\$ 1,003,816	\$ -	\$ -
Mortgage backed securities	1,091,747	1,091,747	-	-
Money market funds	90,987	-	90,987	-
Public Treasurers Investment Fund	8,602,694	-	8,602,694	-
<b>Total</b>	<b>\$ 10,789,244</b>	<b>\$ 2,095,563</b>	<b>\$ 8,693,681</b>	<b>\$ -</b>

## UTAH COUNTIES INDEMNITY POOL

### Notes to the Financial Statements

Year Ended December 31, 2018

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#### Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The Pool's policy for limiting the credit risk of investments is to comply with the State Money Management Act.

Investments are categorized into these three categories of credit risk:

Category One - Insured or registered, or securities held by the Pool or its agent in the Pool's name.

Category Two - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Pool's name.

Category Three - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, not in the Pool's name.

As of December 31, 2018, investments in debt securities in the amount of \$2,095,563 are considered to be Category Three securities. As of December 31, 2018, Public Treasurers' Investment Fund (PTIF) investments and equity investments in County Reinsurance Limited (CRL), in the total amount of \$10,884,468, are uncategorized investments. \$125,000 of uncategorized PTIF investments is restricted by the Money Management Council's Rule Four of the Money Management Act.

#### NOTE 3- INVESTMENT INCOME

Investment income is comprised of the following as of December 31, 2018:

	<u>2018</u>
<b>Investment income:</b>	
Bonds	\$ 44,464
Equity	39,775
Cash	<u>276,855</u>
Total investment income	<u>\$ 361,094</u>
<b>Cash received:</b>	
Cash	<u>\$ 276,855</u>
Total cash received	<u>276,855</u>
<b>Noncash adjustments:</b>	
Equity	39,775
Bonds	(2,579)
Change in accrued interest	47,457
Amortization	<u>(415)</u>
Total noncash adjustments	<u>84,239</u>
Total investment income	<u>\$ 361,094</u>

#### NOTE 4- INTEREST RATE

The interest rate for assets held with the Utah Public Treasurers' Investment Fund (PTIF) was 2.7652 percent as of December 31, 2018.

**UTAH COUNTIES INDEMNITY POOL**  
**Notes to the Financial Statements**  
Year Ended December 31, 2018

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**NOTE 5- CAPITAL ASSETS**

The capital assets and related accumulated depreciation of the Pool are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets exempt from depreciation:				
Land	\$ 531,494	\$ -	\$ -	\$531,494
Total capital assets exempt from depreciation, net	<u>531,494</u>	<u>-</u>	<u>-</u>	<u>531,494</u>
Capital assets being depreciated:				
Office furniture and equipment	<u>177,146</u>	<u>6,366</u>	<u>(88,237)</u>	<u>95,274</u>
Total capital assets, being depreciated	<u>177,146</u>	<u>6,366</u>	<u>(88,237)</u>	<u>95,274</u>
Less accumulated depreciation for:				
Office furniture and equipment	<u>(169,944)</u>	<u>(2,342)</u>	<u>88,237</u>	<u>(84,049)</u>
Total accumulated depreciation	<u>(169,944)</u>	<u>(2,342)</u>	<u>88,237</u>	<u>(84,049)</u>
Total capital assets being depreciated, net	<u>7,203</u>	<u>4,024</u>	<u>88,237</u>	<u>99,464</u>
Total capital assets, net	<u>\$ 538,696</u>	<u>\$ 10,389</u>	<u>\$ -</u>	<u>\$542,719</u>

**NOTE 6- REINSURANCE**

Effective 2003, the Pool has purchased only specific excess coverage. The agreement provides for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention.

Estimated claims loss liabilities of the Pool are stated net of estimated losses applicable to reinsurance coverage ceded to other insurance companies of \$393,024 as of December 31, 2018. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

Unsecured Reinsurance Recoverables

There are no letters of credit, trust agreements or funds withheld on reinsurance recoverables. The amount of \$215,662, as of December 31, 2018, exceeds three percent of the Pool's surplus and is considered unsecured recoverables on known claims.

Reinsurance Recoverable in Dispute

As of December 31, 2018, the Pool does not have any disputed balances or uncollectible funds.



**UTAH COUNTIES INDEMNITY POOL**  
**Notes to the Financial Statements**  
Year Ended December 31, 2018

**NOTE 7- RETIREMENT PLANS**

*Pension Plans*

**Plan Description.** Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following Pension Trust Funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees, beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. Utah Retirement Systems is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

Utah Retirement Systems issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E 200 S, Salt Lake City, UT 84102 or visiting the website: [www.urs.org](http://www.urs.org).

*Pension Plans (continued)*

**Benefits Provided.** Utah Retirement Systems provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

\* With actuarial reductions

\*\* All post-retirement cost of living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounded benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

**UTAH COUNTIES INDEMNITY POOL****Notes to the Financial Statements**

Year Ended December 31, 2018

**NOTE 7 - RETIREMENT PLANS (CONTINUED)**

**Contribution Rate Summary.** As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah Retirement Systems Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contribution rates as of December 31, 2018 are as follows:

	Employee	Employer	Employer 401(k)
Contributory System			
111 - Local Governmental Division Tier 2	N/A	15.54	1.15
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47	N/A
Tier 2 DC Only			
211 Local Governments	N/A	6.69	10.00

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans

**Pension Plans (continued)**

For fiscal year ended December 31, 2018, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 66,600	N/A
Tier 2 Public Employees System	5,832	-
Tier 2 DC Only System	3,297	N/A
Total Contributions	\$ 75,729	\$ -

Contributions reported are the Utah Retirement Systems Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

**Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to Pensions.**

At December 31, 2018, we reported a net pension asset of \$0 and a net pension liability of \$170,270.

(Measurement Date): December 31, 2017

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2016	Change (Decrease)
Noncontributory System	\$ -	\$169,980	0.0387967%	0.0393979%	(0.0006012)%
Tier 2 Public Employees System	-	290	0.0032876%	0.0044177%	(0.0011301)%
	\$ -	\$170,270			

## UTAH COUNTIES INDEMNITY POOL

### Notes to the Financial Statements

Year Ended December 31, 2018

#### NOTE 7 - RETIREMENT PLANS (CONTINUED)

The net pension asset and liability were measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2018 we recognized pension expense of \$60,163.

At December 31, 2018 we reported deferred outflows of resources and deferred inflows of resources relating to pensions for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,803	\$ 10,673
Changes in assumptions	\$ 61,446	\$ 4,000
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 59,829
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 1,837	\$ 10,199
Contributions subsequent to the measurement date	\$ 75,729	\$ -
	<u>\$ 142,815</u>	<u>\$ 84,701</u>

#### Pension Plans Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The amount of \$75,729 was reported as deferred outflows of resources related to pensions results from contributions made by the Pool prior to fiscal year end, but subsequent to the measurement date of December 31, 2017.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2018	5,904
2019	10,413
2020	(13,137)
2021	(21,021)
2022	(65)
Thereafter	290

**Actuarial Assumptions.** The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50 percent
Salary increases:	3.25 - 9.75 percent, average, including inflation
Investment rate of return:	6.95 percent, net of pension plan investment expense, including inflation

**UTAH COUNTIES INDEMNITY POOL**  
**Notes to the Financial Statements**  
Year Ended December 31, 2018

**NOTE 7 - RETIREMENT PLANS (CONTINUED)**

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2017, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

*Pension Plans Actuarial Assumptions (continued)*

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		Long Term expected portfolio real rate of return
	Target Asset Allocation	Real Return Arithmetic Basis	
Equity securities	40.00%	6.15%	2.46%
Debt securities	20.00%	40.00%	0.08%
Real assets	15.00%	5.75%	0.86%
Private equity	9.00%	9.95%	0.89%
Absolute return	16.00%	2.85%	0.46%
Cash and equivalents	0.00%	0.00%	0.00%
Totals	100.00%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.45% that is net of investment expense.

**Discount Rate.** The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Utah Retirement Systems Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.95 percent from 7.20 percent from the prior measurement period.

**UTAH COUNTIES INDEMNITY POOL****Notes to the Financial Statements**

Year Ended December 31, 2018

**NOTE 7 - RETIREMENT PLANS (CONTINUED)**

**Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate.** The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 459,706	\$ 169,980	\$ (70,913)
Tier 2 Public Employees System	3,413	290	(2,118)
Total	\$ 463,119	\$ 170,270	\$ (73,031)

*Pension Plans (continued)*

**Defined Contribution Savings Plans.** The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued Utah Retirement Systems financial report.

The Pool participates in the 401(k) Defined Contribution Savings Plan with the Utah Retirement Systems.

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for the fiscal year ended December 31, were as follows:

<b>401(k) Plan</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Employer Contributions	\$ 10,082	\$ 6,574	\$ 5,507
Employee Contributions	\$ 14,000	\$ 15,840	\$ 16,157

*Employer Participating Retirement Plans*

The Pool contributes an amount equal to the amount contributed by the employee into a 401(k) plan and/or a 457(b) plan (administered by the Utah State Retirement Systems, as noted above) and/or a 457(b) plan (administered by Nationwide Retirement Solutions), not to exceed five percent of the employee's eligible payroll. The total retirement expense for the Nationwide Retirement Solutions plan for the Pool as of December 31, 2018, 2017, and 2016 was \$23,311, \$20,271 and \$17,150, respectively.

**UTAH COUNTIES INDEMNITY POOL****Notes to the Financial Statements**

Year Ended December 31, 2018

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**NOTE 8- UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES**

Reserves for incurred losses and loss adjustment expenses attributable to covered events of prior years has increased by \$374,688 in 2018 as a result of re-estimation of unpaid losses and loss adjustment expenses.

This change is the result of ongoing analysis of recent loss development trends. Original estimates change as additional information becomes known regarding individual claims.

The unpaid claims, losses and loss adjustment expenses of the Pool as of December 31, 2018 are:

	<u>2018</u>
Beginning balance	\$ 8,975,925
Incurred loss:	
Current year	3,336,777
Prior years	(\$393,447)
	<u>2,943,330</u>
Change in total incurred	<u>2,943,330</u>
Paid:	
Current year	910,047
Prior years	\$1,658,595
Total paid	<u>2,568,642</u>
Balance at December 31	<u>\$ 9,350,613</u>

**NOTE 9- CONTINGENCIES**

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid loss and loss adjustment expense liabilities.

**REQUIRED SUPPLEMENTARY INFORMATION**

Draft

# UTAH COUNTIES INDEMNITY POOL

## Schedule of Ten-Year Claims Development Information

The following table illustrates how the Pool's earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Pool as of the end of each of the past ten years. The rows of the table are defined as follows: (1) This line shows each fiscal year's net earned premiums, other operating revenues and interest income. (2) This line shows each year's other operating expenses including overhead and loss adjustment expenses not allocable to specific claims. (3) This line shows incurred losses and allocated loss adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred. (4) This section of ten rows shows the cumulative amounts paid as of the end of successive years for each policy year. (5) This section of ten rows shows how each policy year's net incurred claims increased or decreased as of the end of the successive years: this annual estimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known. (6) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and show whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

	Fiscal and Policy Year Ended (in Thousands of Dollars)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
(1) Earned premiums, other operating operating revenues and investment revenues, net of reinsurance	6,952	4,662	5,064	5,141	3,538	3,717	3,789	4,584	4,804	4,807
(2) Unallocated expense	-	-	-	-	-	-	-	-	-	-
(3) Estimated incurred claims and expenses, end of policy year:	2,881	2,876	3,129	3,619	3,152	3,666	3,066	3,273	3,554	3,337
(4) Net paid (cumulative) as of:										
End of policy year	1,126	584	995	347	586	1,344	894	833	793	910
One year later	1,246	932	1,542	1,538	1,377	1,549	1,017	1,045	1,291	-
Two years later	1,781	1,601	1,719	2,310	1,869	1,830	1,125	1,336	-	-
Three years later	2,142	2,500	2,153	2,637	2,386	2,103	1,275	-	-	-
Four years later	1,465	2,958	2,385	3,005	2,573	2,377	-	-	-	-
Five years later	3,654	3,256	2,615	3,160	2,600	-	-	-	-	-
Six years later	2,815	3,335	2,869	3,426	-	-	-	-	-	-
Seven years later	2,905	3,472	2,951	-	-	-	-	-	-	-
Eight years later	2,927	3,525	-	-	-	-	-	-	-	-
Nine years later	2,945	-	-	-	-	-	-	-	-	-
(5) Reestimated net incurred claims and expenses:										
End of policy year	2,887	2,876	3,129	3,619	3,152	3,666	3,066	3,273	3,554	3,337
One year later	2,748	3,188	3,472	4,246	3,907	3,627	2,781	4,002	4,050	-
Two years later	2,902	3,113	3,193	3,837	3,515	3,565	2,200	3,619	-	-
Three years later	2,789	3,612	3,080	3,650	3,169	3,109	1,775	-	-	-
Four years later	3,164	3,714	2,952	3,524	3,007	3,020	-	-	-	-
Five years later	3,059	3,570	2,991	3,476	2,742	-	-	-	-	-
Six years later	2,947	3,464	3,117	3,697	-	-	-	-	-	-
Seven years later	2,948	3,551	3,112	-	-	-	-	-	-	-
Eight years later	2,943	3,546	-	-	-	-	-	-	-	-
Nine years later	3,004	-	-	-	-	-	-	-	-	-
(6) Increase (decrease) in estimated net incurred claims and expenses from end of policy year	123	670	(17)	78	(410)	(646)	(1,291)	346	496	-



## UTAH COUNTIES INDEMNITY POOL

Schedule of the Proportionate Share of the Net Pension Liability

The proportionate share of the Net Pension Liability (Asset) of the Pool for year ending December 31, 2018, 2017, 2016 and 2015 respectively is as follows:

	2018	2017	2016	2015
<b>Noncontributory Retirement System</b>				
Proportion of the net pension liability (asset)	0.0387967%	0.0393979%	0.0424078%	0.0412802%
Proportionate share of the net pension liability (asset)	\$ 169,980	\$ 252,983	\$ 239,964	\$ 179,248
Covered payroll	\$ 342,770	\$ 351,178	\$ 369,111	\$ 355,770
(asset)				
as a percentage of its covered-employee payroll	49.59%	72.04%	65.01%	50.40%
Plan fiduciary net position as a percentage of the total pension liability (asset)	91.90%	87.30%	87.80%	90.20%
<b>Tier 2 Public Employees Retirement System</b>				
Proportion of the net pension liability (asset)	0.0032876%	0.0044177%	0.0037343%	0.0039098%
Proportionate share of the net pension liability (asset)	\$ 290	\$ 493	\$ (8)	\$ (8)
Covered payroll	\$ 32,392	\$ 36,228	\$ 24,123	\$ 24,123
Proportionate share of the net pension liability (asset)				
as a percentage of its covered-employee payroll	0.90%	1.36%	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.40%	95.10%	100.20%	103.50%

\*In accordance with paragraph 81a of GASB Statement No. 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset). The Pool's 10-year schedule will be built prospectively. The schedule above is for the past four years.

# UTAH COUNTIES INDEMNITY POOL

## Schedule of Contributions

The following presents the contributions as a percentage of covered-payroll for the Pool as of year ending December 31, 2017:

As of Fiscal year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the		Contributions as a percentage of	
		contractually required contribution	Contribution deficiency (excess)	Covered payroll	covered employee payroll
Noncontributory System					
2015	\$ 68,175	\$ 68,175	\$ -	\$ 369,111	18.47%
2016	\$ 64,862	\$ 64,682	\$ -	\$ 351,178	18.47%
2017	63,310	63,310	0	342,770	18.47%
2018	66,600	66,600	0	360,584	18.47%
Tier 2 Public Employees System*					
2015	\$ 3,600	\$ 3,600	\$ -	\$ 24,123	14.92%
2016	\$ 5,402	\$ 5,402	\$ -	\$ 36,228	14.91%
2017	4,846	4,846	0	32,392	14.96%
2018	5,832	5,832	0	37,995	15.35%
System*					
2015	-	-	\$ -	-	0.00%
2016	-	-	\$ -	-	0.00%
2017	1,071	1,071	0	16,010	6.69%
2018	3,297	3,297	0	49,281	6.69%

\*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be difference than the board certified rate due to rounding and other administrative issues. The schedule above is for the past four years.

## UTAH COUNTIES INDEMNITY POOL

### Notes to Required Supplementary Information

#### Changes in Assumptions

AS a result of an experience study conducted as of December 31, 2016, the board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the total pension liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes has a minimal impact on the total pension liability (and actuarial accrued liability).

Draft

## **OTHER INDEPENDENT AUDITOR'S REPORTS**

Draft

**Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance  
And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With  
Government Auditing Standards**

The Board of Directors  
**Utah Counties Indemnity Pool**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Pool, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements, and have issued our report thereon dated April 18, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Pool's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pool's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Pool's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Salt Lake City, Utah  
April 18, 2019

Draft

**Independent Auditor's Report on Compliance and Report on  
Internal Control Over Compliance as Required by the  
State Compliance Audit Guide**

The Board of Directors  
**Utah Counties Indemnity Pool**

***Report on Compliance with General State Compliance Requirements***

We have audited **Utah Counties Indemnity Pool's** compliance with the applicable general state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on **Utah Counties Indemnity Pool** for the year ended December 31, 2018.

General state compliance requirements were tested for the year ended December 31, 2018 in the following areas:

Budgetary Compliance  
Utah Retirement Systems  
Open and Public Meetings Act  
Treasurer's Bond

***Management's Responsibility***

Management is responsible for compliance with the general state requirements referred to above.

***Auditor's Responsibility***

Our responsibility is to express an opinion on **Utah Counties Indemnity Pool's** compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*.

Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on **Utah Counties Indemnity Pool**. An audit includes examining, on a test basis, evidence about the **Utah Counties Indemnity Pool** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements. However, our audit does not provide a legal determination of **Utah Counties Indemnity Pool's** compliance.

***Opinion on General State Compliance Requirements***

In our opinion, **Utah Counties Indemnity Pool**, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on **Utah Counties Indemnity Pool** for the year ended December 31, 2018.

***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance.

**Report on Internal Control over Compliance**

Management of **Utah Counties Indemnity Pool** is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Utah Counties Indemnity Pool's** internal control over compliance with the compliance requirements that could have a direct and material effect on **Utah Counties Indemnity Pool** to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of **Utah Counties Indemnity Pool's** internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with general state or major state program compliance requirements that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.



# Utah Counties Indemnity Pool

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## MANAGEMENT LETTER

*For the Year Ended December 31, 2018*



April 18, 2019

To the Board Members and Management  
**Utah Counties Indemnity Pool:**

We have audited the financial statements of **Utah Counties Indemnity Pool** (the Pool) for the year ended December 31, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 20, 2018. Professional standards also require that we communicate to you the following information related to our audit.

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Pool are described in Note 1 to the financial statements. There were no new accounting policies adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Pool during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### **Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Association's financial statements were:

Management's estimate of the reserves for losses and loss adjustment expenses is based on the actuarial opinion prepared by Mary Jean King, FCAS, CERA, MAAA, of By the Numbers Actuarial Consulting, Inc. We evaluated the key factors and assumptions used to develop the reserves for losses and loss adjustment expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of losses and loss adjustment expenses in Note 8 to the financial statements related to the Pool's reserves estimate.

The financial statement disclosures are neutral, consistent, and clear.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated April 18, 2019.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Pool's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the Schedule of Ten-Year Claims Development Information, the Schedule of the Proportionate Share of the Net Pension Liability, and the Schedule of Contributions, all of which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial

Board Members and Management

**Utah Counties Indemnity Pool**

April 18, 2019

statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

*Larson & Company P.C.*

Larson & Company, PC  
Salt Lake City, Utah

**Schedule of Findings and Recommendations – Current Year**

**Internal Control Findings – Current Year**

There were no Internal Control Findings noted for the period.

**State Compliance Findings – Current Year**

There were no State Compliance Findings noted for the period.

**Status of Findings – Prior Year**

**Internal Control Findings – Prior Year**

There were no Internal Control Findings noted in the prior year.

**State Compliance Findings – Current Year**

There were no State Compliance Findings noted in the prior period.



# **UCIP Board of Directors Meeting**

April 18, 2019  
Salt Lake City, UT



COUNTY REINSURANCE, LIMITED

## **Contents**

- Introduction to CRL
- CRL Reinsurance Structure
- CRL Financial Update
- CRL Property Plus

## Background on CRL

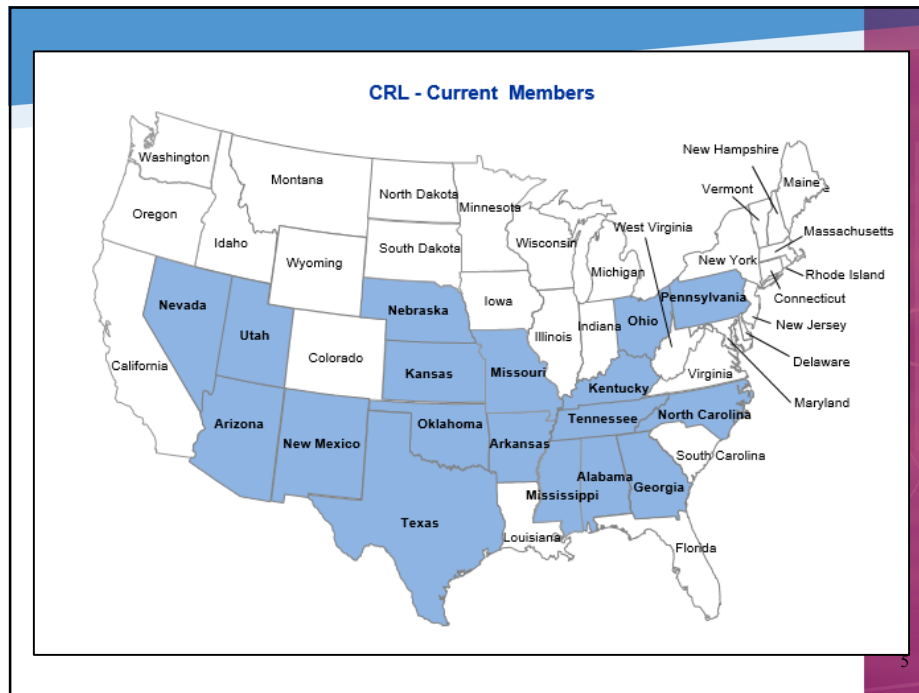
- A number of County Association Executive Directors and Pool Managers began discussions about forming a national reinsurance program.
- The National Council of County Association Executives (NCCAE), through NACo, facilitated meetings.
- 1994 First Committee Meeting
- 1996 Feasibility Study Completed
- 1997 CRL established as a Vermont Captive with 5 states and 8 pools participating.
- 2019 – 22 years, 18 States, and 27 members

3

## CRL Members

<b>Arizona Counties Insurance Pool</b> Workers' Compensation Pool	<b>Missouri Association of Counties</b> Workers' Compensation Pool
<b>Association County Commissioners of Georgia</b> Property and Liability Pool Workers' Compensation Pool	<b>Nebraska Intergovernmental Risk Management Assoc.</b> Property and Liability Pool Workers' Compensation Pool
<b>Association of Arkansas Counties</b> Workers' Compensation Pool	<b>Nevada</b> Liability Pool (NPAIP) Workers' Compensation Pool (PACT)
<b>Association of County Commissioners of Oklahoma</b> Property and Liability Pool	<b>New Mexico Association of Counties</b> Property Pool Workers' Compensation Pool
<b>Association of County Commissions of Alabama</b> Property and Liability Pool Workers' Compensation Pool	<b>NC Association of County Commissioners</b> Property and Liability Pool Workers' Compensation Pool
<b>County Commissioners Association of Pennsylvania</b> Liability Pool Workers' Compensation Pool	<b>Ohio (County Risk Sharing Authority)</b> Property and Liability Pool
<b>Kansas County Association Multiline Pool</b> Property and Liability Pool	<b>Tennessee Counties LGIP</b> Property and Liability Pool Workers' Compensation Pool
<b>Kentucky Association of Counties</b> Liability Pool (Cyber) Workers' Compensation Pool	<b>Texas Association of Counties</b> Property, Liability, and Workers' Compensation Pool
<b>Mississippi Association of Counties</b> Property and Liability Pool	<b>Utah Counties Indemnity Pool</b> Property and Liability Pool

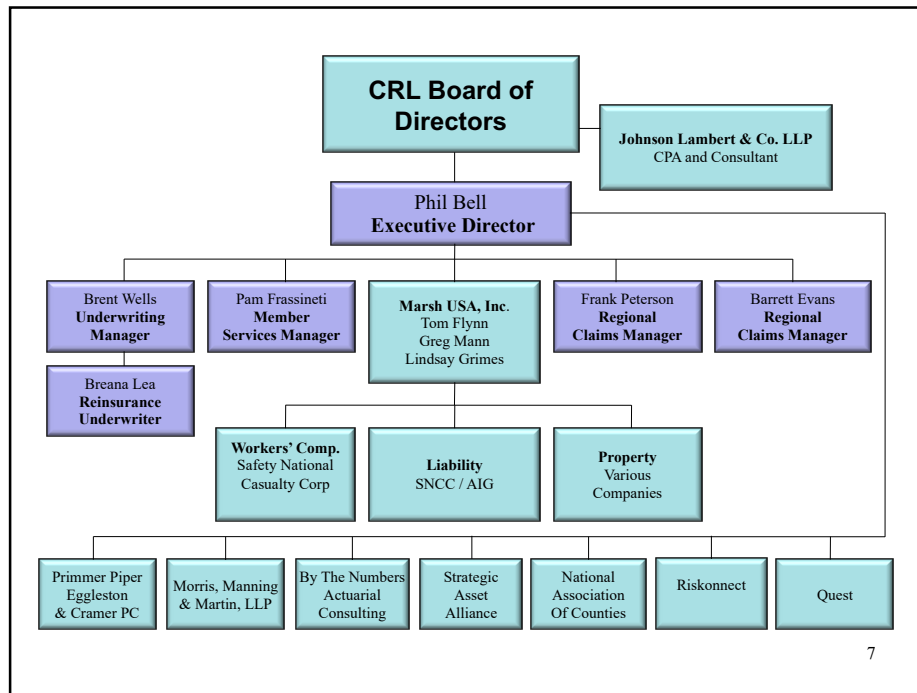
4



## What are the Benefits?

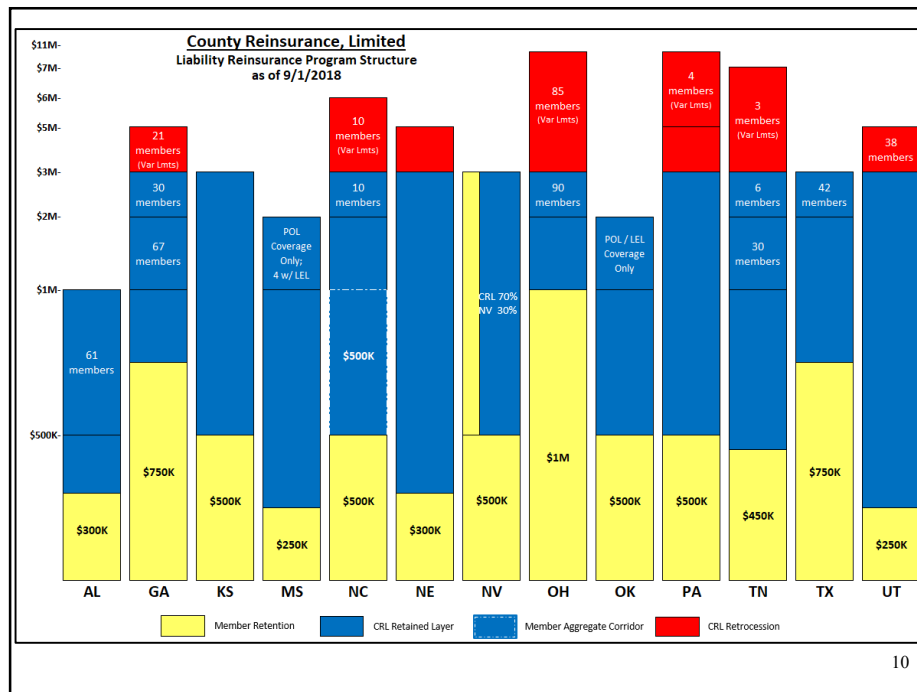
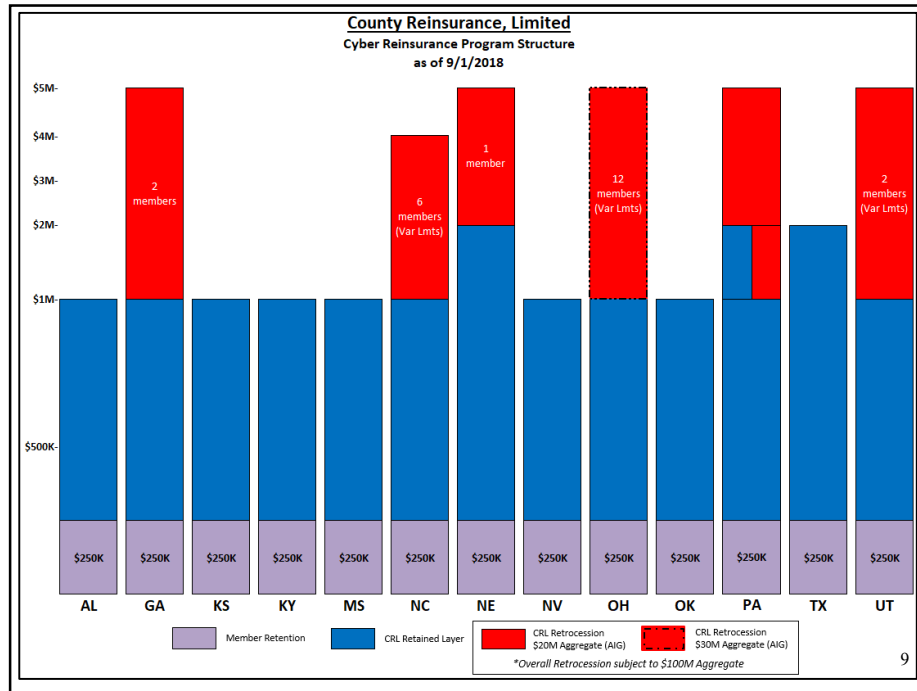
- We specialize in Counties and County-related entities.
- A “Pool” for “Pools”
- Ownership = Control
- Sharing Program Ideas
- Long Term Stability
- Profits and Investment Income belong to Members
- Claim Audits, Policy Form Reviews, Training

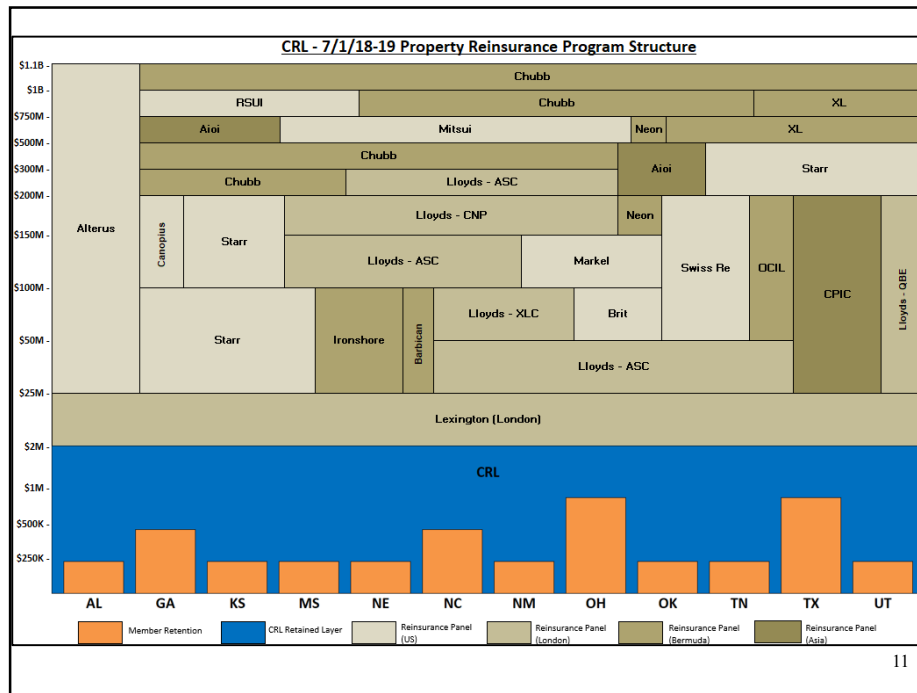




## CRL Reinsurance Structure

- Cyber Liability Structure
- Liability Structure
- Property Structure





**County Reinsurance, Limited**

**Balance Sheets**

	At December 31,	
	2017	2016
<b>Assets</b>		
Cash and cash equivalents	\$ 7,257,782	\$ 4,913,668
Auction rate securities	350,000	350,000
Fixed-maturity securities, at fair value	206,982,735	200,687,853
Exchange traded funds, at fair value	12,268,848	10,064,918
Mutual funds, at fair value	2,905,776	2,397,812
Accrued investment income	1,110,816	1,037,011
Premiums receivable	12,136	8,297
Reinsurance recoverable - unpaid losses	4,922,750	5,046,256
Deferred policy acquisition costs	25,352	23,713
Property, furniture and equipment, net of accumulated depreciation	440,194	459,209
Prepaid reinsurance premiums	897,287	915,102
Other assets	220,706	171,781
<b>Total Assets</b>	<b>\$ 237,394,382</b>	<b>\$ 226,075,620</b>

12

**Liabilities and Members' Contributions and Surplus****Liabilities**

Losses and loss adjustment expenses	\$ 163,366,450	\$ 156,140,654
Unearned premiums	14,700,554	13,319,098
Ceded reinsurance balances payable	430	-
Accounts payable and accrued expenses	250,964	365,932
Premium taxes payable	65,511	62,298
Deferred ceding commission income	<u>614,880</u>	<u>602,765</u>

**Total Liabilities**

178,998,789 170,490,747

**Members' Contributions and Surplus**

Members' contributions	11,071,974	11,071,974
Retained earnings	<u>47,323,619</u>	<u>44,512,899</u>

**Total Members' Contributions and Surplus**

58,395,593 55,584,873

**Total Liabilities and Members' Contributions and Surplus**

\$ 237,394,382 \$ 226,075,620

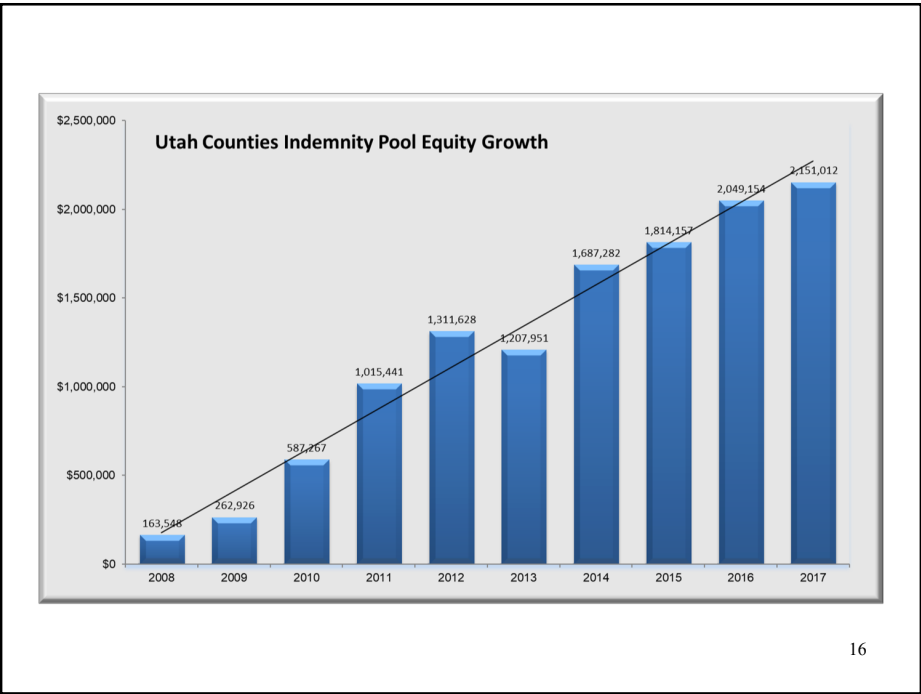
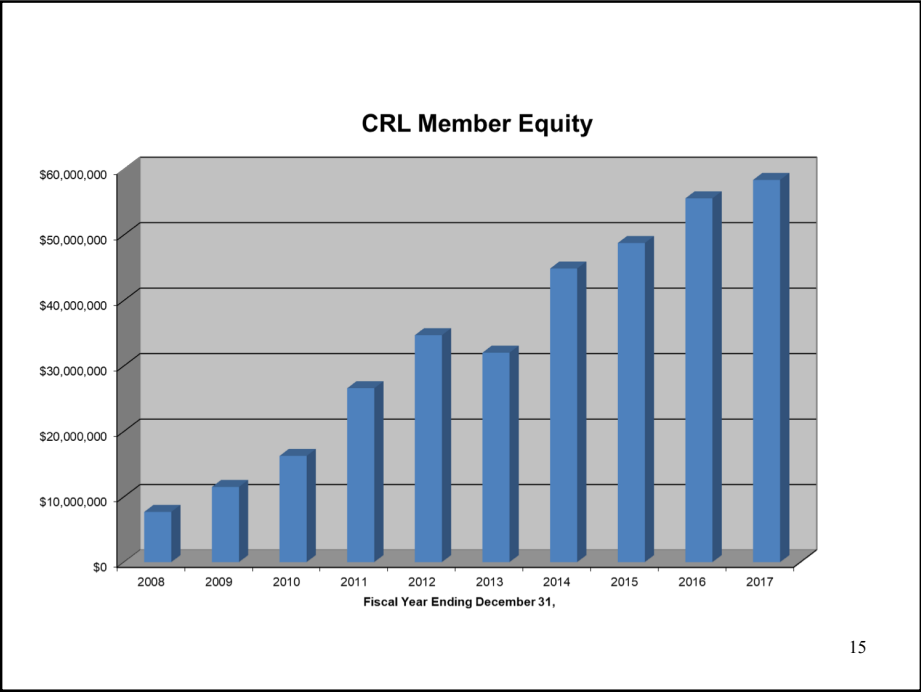
13

## County Reinsurance, Limited

## Statements of Operations

	Years ended December 31,	
	2017	2016
<b>Underwriting Revenue</b>		
Premiums earned, net of reinsurance	\$ 32,058,705	\$ 30,897,291
Commission income	<u>1,396,606</u>	<u>1,407,574</u>
Total Underwriting Revenue	33,455,311	32,304,865
<b>Underwriting Expenses</b>		
Losses and loss adjustment expenses	36,287,370	29,554,894
Policy acquisition costs	213,872	211,440
Professional and management fees	219,649	202,491
General and administrative expenses	<u>1,661,425</u>	<u>1,511,122</u>
Total Underwriting Expenses	<u>38,382,316</u>	<u>31,479,947</u>
Operating (Loss) Income	(4,927,005)	824,918
<b>Investment Income</b>		
Net investment income	6,951,698	5,471,032
Net realized gains on investments	<u>786,027</u>	<u>282,395</u>
Total Investment Income	<u>7,737,725</u>	<u>5,753,427</u>
Net Income	<u>\$ 2,810,720</u>	<u>\$ 6,578,345</u>

14



# CRL Property Plus

**CRL** COUNTY REINSURANCE, LIMITED

17



18

# What?

19

## What is CRL Property Plus?

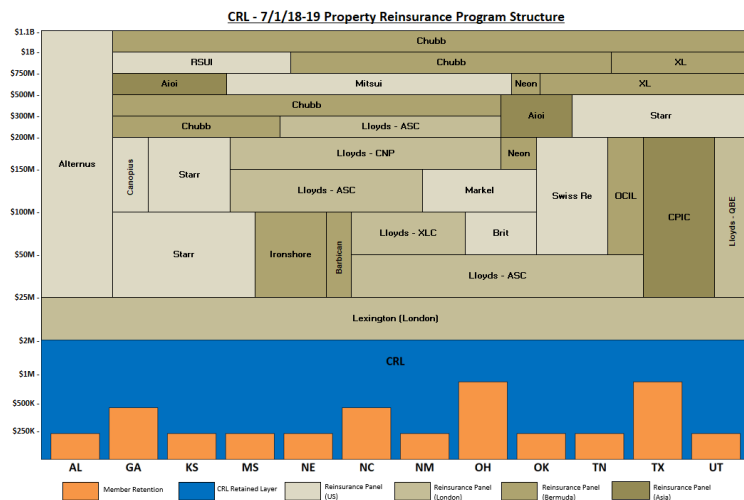
- Vermont captive law allows the creation of a “Separate Account” within an existing captive insurance company. The plan must be approved by the state regulator.
- Assets, liabilities, and surplus must be kept separate from the core CRL reinsurance operations.
- This mechanism allows owners to consider new business opportunities without affecting the results of the core operations.
- We think property reinsurance is an excellent business opportunity for CRL. CRL Property Plus is the proposed name.

20

# Why?

21

- 1<sup>st</sup> Reason: Support for the CRL Property Program. Additional capacity will strengthen the program.

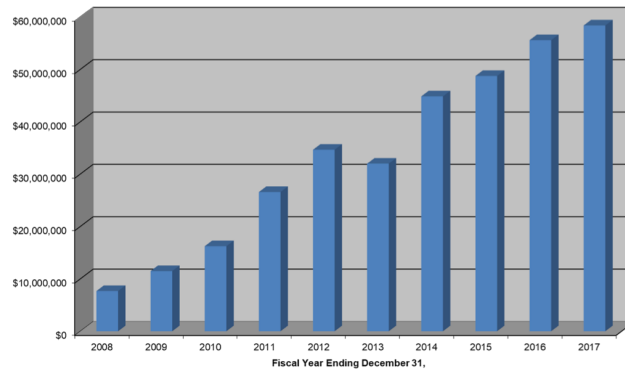


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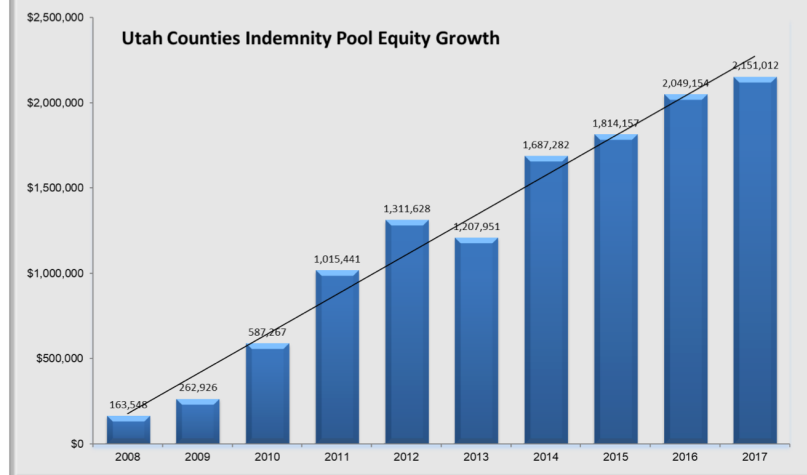
- 2<sup>nd</sup> Reason: Member Pools have experienced significant increases in the value of their Contribution Accounts over time. We think CRL Property Plus will similarly benefit Separate Account participants.

**CRL Member Equity**



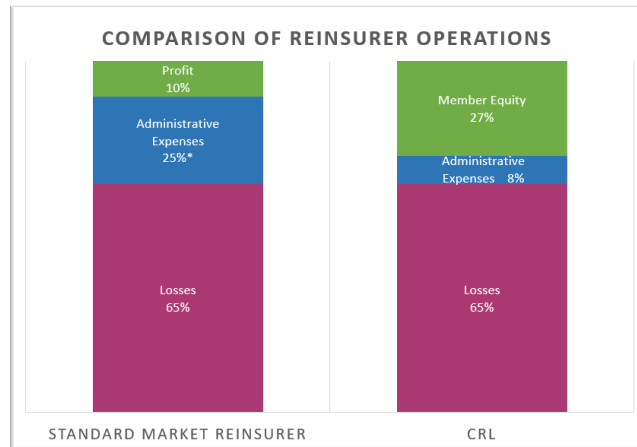
23

**Utah Counties Indemnity Pool Equity Growth**



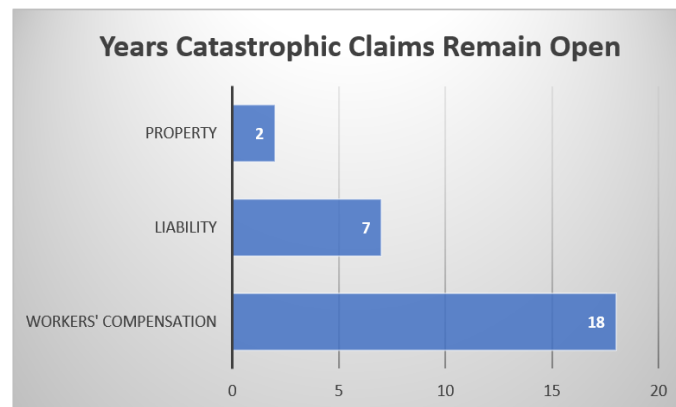
24

- 3<sup>rd</sup> Reason: CRL Property Plus will operate very efficiently, increasing the probability of success.



25

- 4<sup>th</sup> Reason: Property claims close much sooner than liability and workers' compensation claims. Results are recognized sooner. Distributions are easier to manage.



26

# How?

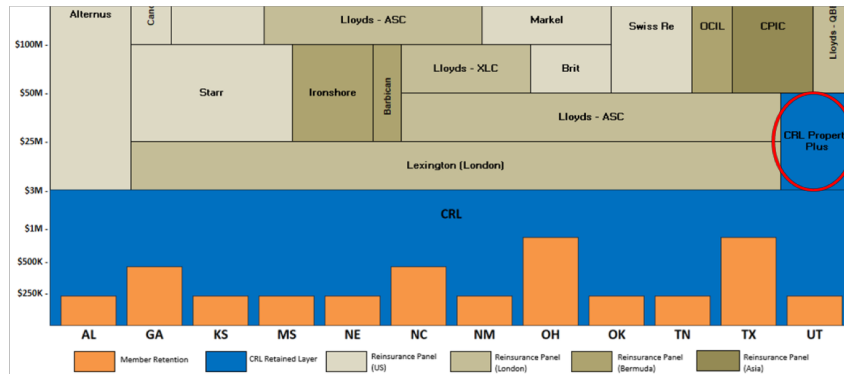
27

## Here are our Recommendations

- CRL will seek contributions from interested CRL members. We think a minimum of \$20M total is necessary. More would be better.
- We have evaluated loss information and structure options. Analysis and our recommendations options are on the next several slides.

28

## Proposed Structure: 10% of \$50MM xs \$3MM



29

## Loss Ratio Analysis \$50MM xs \$3MM

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Losses \$50Mxs \$3M	0	404,924	0	0	0	0	820,502	7,124,921	242,426	970,043	21,357,951	9,443,680	40,364,448
10% QS Losses	0	40,492	0	0	0	0	82,050	712,492	24,243	97,004	2,135,795	944,368	4,036,445
CRL Premium	773,445	814,153	857,003	902,109	949,588	999,566	1,030,481	1,062,351	1,095,208	1,129,080	1,164,000	1,200,000	11,976,985
CRL Gain/Loss	773,445	773,661	857,003	902,109	949,588	999,566	948,431	349,859	1,070,965	1,032,076	-971,795	255,632	7,940,540
CRL Loss Ratio	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	8.0%	67.1%	2.2%	8.6%	183.5%	78.7%	33.7%

### Key Assumptions:

- Loss history is actual CRL Loss History excess of \$3MM since 7/1/2007
- Premium based on Premium Indications for July 1, 2019 Renewal and trended backwards
- Premium and TIV Trend based on Actuary's factors

30

## Pro-Forma Financial Statements 2019-2023

	2019	2020	2021	2022	2023		
Cash at Beginning	20,000,000	21,316,880	22,694,773	24,136,154	25,643,593		
CRL Premium	1,200,000	1,236,000	1,273,080	1,311,272	1,350,611		
Ceding Commission	-96,000	-98,880	-101,846	-104,902	-108,049		
10% QS Losses	-408,000	-420,240	-432,847	-445,833	-459,208		
Investment Income (3%)	620,880	661,013	702,995	746,901	792,808		
Distributions	0	0	0	0	-7,219,755	36.10%	ROA
Cash at End	21,316,880	22,694,773	24,136,154	25,643,593	20,000,000	6.36%	AROA

### Key Assumptions:

- Starting Amount: \$20,000,000
- Premium grows at 3% annually
- Ceding Commission = 8%
- Loss Ratio based on 11 year CRL average
- Losses grow at 3% annually
- Investment income based on portfolio yield
- Distributions calculated at the end of year 5
- Return on Assets = 36.10%
- Average Return on Assets = 6.36%
- This is not a guarantee

\*The pro forma financial statements and contribution examples are intended for the purpose of illustrative projections to facilitate analysis and are not guaranteed by CRL. Past performance is not an indicator of future results.

31

## Member Contribution Examples

AROA: 6.36%

Contribution	Year 1	Year 2	Year 3	Year 4	Year 5	Distribution Projection
500,000	531,800	565,622	601,596	639,858	680,553	180,553
750,000	797,700	848,434	902,394	959,786	1,020,829	270,829
1,000,000	1,063,600	1,131,245	1,203,192	1,279,715	1,361,105	361,105
1,250,000	1,329,500	1,414,056	1,503,990	1,599,644	1,701,381	451,381

\*Distribution projection assumes a 33.7% Loss Ratio in each example and that the member pool has satisfied the eligibility requirements for distributions set forth in Article IX, Section of the Bylaws. Any distribution amounts would be based on calculations of the loss experience formula and longevity formula for each eligible member pool as set forth in Article IX, Section of the Bylaws.

\*The pro forma financial statements and contribution examples are intended for the purpose of illustrative projections to facilitate analysis and are not guaranteed by CRL. Past performance is not an indicator of future results.

32

## How would CRL Property Plus operate?

- CRL would follow the pricing of the “lead” underwriter for that layer of the program. This reduces costs. This is consistent with our current program; we already have “lead” and “following” underwriters.
- Ceding commissions would still be paid to the CRL members in the property program at 8%, consistent with other participants.
- Financial performance would be tracked separately.
- CRL Property Plus committee members oversee the Separate Account and CRL Property Plus program through CRL Staff, subject to control of the CRL Board of Directors.
- Separate Account contributions to CRL Property Plus give more voting rights in CRL (diluted 50% to preserve the value of the core program).
- Additional costs to CRL would be nominal.

33

# When?

34

## When will CRL Property Plus start?

- Our goal is to start the program on July 1, 2019, the next renewal.
- An Ad-hoc committee has been formed to make initial decisions on the program.
- CRL Bylaws have been amended and approved by the Vermont Regulator.
- CRL is actively discussing contribution support with CRL members.
- Final approval from the Board is scheduled for May 2019, and information will go to the Regulator shortly thereafter.



35

# Who?

36

### CRL Property Plus Commitments

CRL Member	Minimum	Maximum
Texas	5,000,000	10,000,000
Ohio	5,000,000	5,000,000
Tennessee	2,000,000	3,000,000
North Carolina	3,000,000	5,000,000
Utah		
Georgia		
Nebraska		
Kansas		
Alabama		
New Mexico*	-	-
Oklahoma*	-	-
Mississippi*	-	-
<b>Total</b>	15,000,000	23,000,000
*Unlikely to participate at this time.		

37



### COUNTY REINSURANCE, LIMITED

6201 TOWNCENTER DRIVE, SUITE 240 | CLEMMONS, NC 27012  
(336) 766 - 3930 | WWW.COUNTYREINSURANCE.ORG

38





# Proposal of Insurance

## Utah Counties Indemnity Pool Excess Crime

5397 S. Vine Street  
Murray, UT 84107-6757

**Presented:** December 18, 2018

**Effective:** January 1, 2019

**John Chino**

Area Senior Vice President

**Arthur J. Gallagher & Co. Insurance Brokers of California, Inc.**

License Number - 0726293

18201 Von Karman Ave Suite 200

Irvine, CA 92612

**(949) 349-9800**

**John\_Chino@ajg.com**



# Gallagher

Insurance | Risk Management | Consulting

[ajg.com](http://ajg.com)

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## Market Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

INSURANCE COMPANY	LINE OF COVERAGE	RESPONSE	PREMIUM
<b>Great American Insurance Company</b>	Excess Crime (\$7.5M xs \$2.5M)	Quoted	\$31,702.00
<b>Hiscox Insurance Company Inc.</b>	Excess Crime (\$5M xs \$5M)	Quoted	\$35,591.00
<b>American International Group, Inc</b>	Excess Crime (current limit increase to \$5M)	Indication (Written)*	\$54,157.00

\*The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.



# Utah Counties Indemnity Pool

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## *FINANCIAL STATEMENTS*

Quarter Ending March 31, 2019

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# Utah Counties Indemnity Pool

## First Quarter 2019 Financial Statements

To the Board of Directors:

I have compiled the accompanying, in-house prepared, unaudited account balances arising from cash transactions and from accrual transactions of the Utah Counties Indemnity Pool as of March 31, 2019 to the basic financial statements.

Sonya White

Chief Financial Officer

801-307-2113

[sonya@ucip.utah.gov](mailto:sonya@ucip.utah.gov)

Reviewed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

By: \_\_\_\_\_

**UTAH COUNTIES INDEMNITY POOL**  
**STATEMENT of NET POSITION**  
Quarter Ended March 31, 2019

	<u>Mar 31, 2019</u>	<u>Dec 31, 2018</u>	<u>Mar 31, 2018</u>
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 15,681,663	\$ 11,913,616	\$ 13,468,563
Short-term investments	999,198	1,600,259	903,416
Accounts receivable	-	1,987	3,782
Prepaid expenses	<u>1,022,947</u>	<u>295,182</u>	<u>1,066,684</u>
TOTAL CURRENT ASSETS	<u>17,703,807</u>	<u>13,811,044</u>	<u>15,442,444</u>
INVESTMENTS	3,043,851	2,686,091	3,339,515
PROPERTY AND EQUIPMENT	541,998	542,719	538,910
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>142,815</u>	<u>142,815</u>	<u>168,435</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 21,432,472</u></u>	<u><u>\$ 17,182,669</u></u>	<u><u>\$ 19,489,304</u></u>
<b>LIABILITIES AND NET POSITION</b>			
CURRENT LIABILITIES			
Reserves for losses and loss adjustment expenses	\$ 9,350,613	\$ 9,350,613	8,975,925
Accrued expenses	122,820	117,156	102,161
Contributions paid in advance	<u>5,073,473</u>	<u>1,547,876</u>	<u>4,585,229</u>
TOTAL CURRENT LIABILITIES	<u>14,546,906</u>	<u>11,015,645</u>	<u>13,663,315</u>
NONCURRENT LIABILITIES			
Net pension liability	170,270	170,270	253,476
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	84,701	84,701	42,671
NET POSITION			
Net investment in capital assets	541,998	542,719	538,910
Unrestricted	<u>6,088,597</u>	<u>5,369,334</u>	<u>4,990,932</u>
TOTAL NET POSITION	<u>6,630,595</u>	<u>5,912,053</u>	<u>5,529,842</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 21,432,472</u></u>	<u><u>\$ 17,182,669</u></u>	<u><u>\$ 19,489,304</u></u>

**UTAH COUNTIES INDEMNITY POOL**  
**STATEMENTS of REVENUES, EXPENSES, and CHANGES in NET POSITION**  
**Quarter Ended March 31, 2019**

	<u>Mar 31, 2018</u>	<u>Budget</u>	<u>Over Budget</u>	<u>% of Budget</u>
OPERATING INCOME				
Contributions	\$ 1,691,158	6,761,783	(5,070,626)	25%
Investment income	113,542	200,000	(86,458)	57%
Other income	(8,088)	7,000	(15,088)	-116%
TOTAL OPERATING INCOME	<u>1,796,611</u>	<u>6,968,783</u>	<u>(5,172,172)</u>	<u>26%</u>
UNDERWRITING EXPENSES				
Losses and loss adjustment expenses	415,410	3,500,000	(2,580,997)	12%
Reinsurance coverage	427,953	1,900,000	(1,202,213)	23%
TOTAL UNDERWRITING EXPENSES	<u>843,363</u>	<u>5,400,000</u>	<u>(3,783,210)</u>	<u>16%</u>
ADMINISTRATION EXPENSES				
Trustees	4,809	55,000	(50,191)	9%
Depreciation	722	3,000	(2,278)	24%
Risk management	14,814	70,000	(55,186)	21%
Public relations	2,455	22,000	(19,545)	11%
Office	6,806	90,000	(83,194)	8%
Financial	25,201	100,000	(74,799)	25%
Personnel	187,146	765,000	(577,854)	24%
TOTAL ADMINISTRATION EXPENSES	<u>241,952</u>	<u>1,105,000</u>	<u>(863,048)</u>	<u>22%</u>
TOTAL OPERATING EXPENSES	<u>1,085,315</u>			
NET OPERATING INCOME	<u>711,296</u>			
OTHER INCOME EXPENSES				
Unrealized loss on marketable securities	7,245			
TOTAL OTHER EXPENSES	<u>7,245</u>			
CHANGE IN NET POSITION	718,541			
NET POSITION AT BEGINNING OF YEAR	<u>5,912,053</u>			
NET POSITION AT END OF QUARTER	<u>\$ 6,630,595</u>			

**UTAH COUNTIES INDEMNITY POOL**  
**STATEMENTS OF CASH FLOWS**  
Quarter Ended March 31, 2019

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Contributions collected	\$ 5,218,741	\$ 6,602,701
Other fees collected	(8,088)	24,208
Reinsurance paid	(1,155,718)	(1,748,005)
Losses and loss expenses paid	(415,410)	(2,443,605)
Cash paid to employees	(181,482)	(745,623)
Other administrative expenses paid	(54,085)	(296,622)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>3,403,958</u>	<u>1,393,054</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	244,907	(295,051)
Sale of investments	-	200,000
Investment income	119,182	323,898
Purchase of capital assets	-	88,238
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>364,089</u>	<u>317,084</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,768,047	1,710,138
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>11,913,616</u>	<u>10,203,478</u>
<b>CASH AND CASH EQUIVALENTS AT END OF QUARTER</b>	<u><u>\$ 15,681,663</u></u>	<u><u>11,913,616</u></u>
<b>RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH</b>		
Change in net position	\$ 718,541	990,894
Adjustments to reconcile change in net position to		
Depreciation	722	2,342
Interest on investments	(113,542)	(321,319)
Increase in equity in CRL	-	(39,775)
Net outflows of resources relating to pension	-	(66,796)
Unrealized gain on investments	(7,245)	2,579
Accounts receivable	1,987	(1,987)
Prepaid expenses	(727,765)	(45,133)
Reserves for loss and loss adjustment expenses	-	374,688
Accounts payable	-	-
Accrued expenses	5,664	17,040
Contributions paid in advance	3,525,597	480,521
Total adjustments	<u>2,685,417</u>	<u>402,160</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u><u>\$ 3,403,958</u></u>	<u><u>1,393,054</u></u>



## PROPOSED BYLAWS AMENDMENTS

Equity members shall be included in the calculation of equity as described in the Agreement and these Bylaws. Non-equity Members shall not be included in calculations of, nor shall they have any ownership interest in, the member equity of the pool. Non-equity Members do not have a right to distributions of dividends, however non-equity Member status does not restrict those members from being included in distribution of dividends approved by the Board of Directors, and any dividend paid to a Non-Equity Member shall be at the Board's sole discretion.

### 4.5 Members shall also be classified as either:

- (a) Voting; or
- (b) Non-voting members.

Members which are counties shall be voting members. Members which are not counties shall be non-voting members.

### 4.6 Members shall meet at least once annually. A Membership Meeting may be called by the Board or President pursuant to a procedure to be established by the Board, or upon written request executed by at least 30 percent of the Members.

- (a) Notice of any Membership Meeting shall be mailed to each Member at least 15 days in advance.
- (b) The President, Vice President, or Secretary-Treasurer of the Board shall preside at the Membership Meeting or the President's designee if no other Officer is present at the meeting.
- (c) A majority of the Voting Members shall constitute a quorum to do business.
- (d) Proxy voting shall not be allowed.
- (e) Each Member shall be entitled to one vote on each issue before the membership at any Membership Meeting, to be cast by its Representative or Alternate Representative if the Representative is unable to vote. The Representative and Alternate Representative shall be designated by the Member in accordance with Article 4.7(b) of the Bylaws.
- (f) The location of Membership Meetings will be as determined from time to time by the Board.

### 4.7 Members shall have the obligation to:

- (a) Pay promptly all contributions and other payments to the Pool at such times and in such amounts as shall be established in accordance with these Bylaws. Annual contributions are due on or before the first day of January of the applicable fund year. Members making payments, or portions thereof, postmarked after January 31 shall be charged interest calculated daily at two percent above the rate that the Pool would have earned if the contributions had been deposited with the Public Treasurers Investment Fund (PTIF), subject to a \$10.00 minimum late fee.



## **Provision of Limited Loss Control Services Interlocal Agreement**

This Agreement between the Utah Counties Indemnity Pool (UCIP), a Utah Interlocal Agency formed under U.C.A. 11-13-101 et. seq. and Utah County (County), a subdivision of the State of Utah, is entered into for the contracting of services in accordance with U.C.A. 11-13-202(1)(c).

### Rationale for Contracting Services

**WHEREAS**, UCIP is an interlocal agency created by member counties to provide for the protection of member assets through joint self-insurance; and

**WHEREAS**, the interlocal Agreement creating UCIP also allows for the provision of risk management and loss control services to members; and

**WHEREAS**, UCIP provides access to on-line training videos under a contract with LocalGovU at a substantial discounted rate as a member loss control service; and

**WHEREAS**, UCIP has access to a surplus of training courses through its contract with LocalGovU; and

**WHEREAS**, Utah County wishes to access and utilize LocalGovU training courses as part of its risk management and loss control efforts; and

**WHEREAS**, accessing LocalGovU on-line training courses through UCIP would provide Utah County substantial savings; and

**WHEREAS**, each of the Parties hereto are public agencies as defined in the Interlocal Cooperation Act.

**NOW THEREFORE**, the Parties hereto mutually agree, pursuant to the terms and provisions of the Interlocal Cooperation Act, as follows:

### **1. Limited Membership**

- 1.1. Pursuant to 11-13-202(1)(c) and 11-13-207 the Parties agree to enter into this Agreement for the provision of surplus services of UCIP to County.
- 1.2. UCIP agrees to recognize County in a limited membership capacity for the provision of limited risk management and loss control services consisting of access to on-line training courses under UCIP's contract with LocalGovU.
- 1.3. This Agreement does not contemplate the creation of a separate legal entity to provide for its administration and none shall be required.
- 1.4. This Agreement does not contemplate a need to acquire, hold or dispose of any real or personal property.

## 2. Provision of Services

- 2.1. UCIP shall provide County access to the LocalGovU on-line training system including courses available to UCIP under its contract with LocalGovU and the administration system for assigning, tracking and documenting training conducted on the LocalGovU site.
- 2.2. County shall provide UCIP estimates of training courses to be accessed by County on not less than a quarterly basis to assist UCIP in the administration of its contract with LocalGovU and to assure UCIP has prepaid or otherwise made arrangements for an adequate number of courses to be available to County.

## 3. Compensation for Services

- 3.1. UCIP shall invoice and County shall pay to UCIP an annual membership contribution of \$3,000 to access the LocalGovU system through UCIP's contract with LocalGovU, payable within 30 days of the date the Parties enter into this Agreement.
- 3.2. UCIP shall invoice County monthly for on-line training courses accessed by County and its employees, at a rate of \$5.00 per course.
- 3.3. County shall process and make payment on invoices submitted under 3.2 within 30 days of the invoice date.

## 4. Effective Date, Term and Termination

- 4.1. This Agreement shall commence on the date each of the Parties files a fully executed copy of this Agreement with each Party's keeper of records in compliance with U.C.A. 11-13-209, or May 1, 2019, whichever is later.
- 4.2. This Agreement shall remain in effect for one year, unless terminated by either of the Parties in accordance with the termination provision(s) of this section.
- 4.3. The Parties may agree to extend this Agreement for successive periods by amendment to this Agreement.
- 4.4. Either Party may terminate this Agreement by providing the other Party 90 days written notice of their intent to terminate the Agreement.

## 5. Warranties of Parties

- 5.1. Each Party represents and warrants that it is a public agency or public entity within the meaning of the Interlocal Cooperation Act and Governmental Immunities Act.
- 5.2. Each Party represents and warrants that it is duly authorized to execute and deliver this Interlocal Agreement.

## 6. Documents on File

6.1. Executed copies of this Interlocal Agreement shall be placed on file in the office of the keeper of the records of each of the Parties and shall remain on file for public inspection during the term of this Interlocal Agreement, and in compliance with the Governmental Records Access and Management Act of Utah.

## 7. Amendments

7.1. This Agreement may be changed, modified or amended by written Agreement of the Participants and by complying with all applicable requirements of the Interlocal Cooperation Act.

## 8. Laws of Utah

8.1. It is understood and agreed by the Parties hereto that this Agreement shall be governed by the laws of the State of Utah both as to interpretation and performance.

## 9. Severability of Provisions

9.1. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if the remaining Agreement conforms to the terms and requirements of applicable law.

## 10. Captions and Headings

10.1. The captions and headings herein are for convenience of reference only and in no way define, limit or describe the scope or intent of any sections or provisions of this Agreement.

## 11. Joint and Several Liabilities

11.1. Except as provided herein, no Party agrees or contracts to be held responsible for any claims against any other Party.

**IN WITNESS WHEREOF**, the Parties have affixed their signature hereto and join and give effect to this Agreement to be effective as of the date above stated.

### UCIP Membership Application Summary

---

Name of Entity: Multi-County Appraisal Trust (MCAT)

Sponsoring County: TBD

Type of Membership Applied for: Non-Equity

Enabling Statutes and Services Provided: Title 11 Chapter 13-County Appraisal Services

Risk Factors:

Property - \$30,000

Auto - \$0

Board -29

Employees - 0

Expenditures- \$2,602,360

Loss History - Unavailable

Additional Notes:

Proposed Liability Limits: \$3,000,000

Current Liability Limits: \$3,000,000

UCIP Annual Contribution:

**29 Board Members-\$11,628**

**3 Board Members-\$2,610**

**1 Board Member-\$1,916**

Current Insurance Premium: \$ N/A

Staff Recommendation: Staff recommends approving membership at the lower level contribution amount due to lower risk exposure.

# UTAH COUNTIES

INDEMNITY POOL

April 2, 2019

Pages: 1

**TO:** Johnnie Miller, CEO, UCIP

**RE:** Garfield County Cyber Attack  
Claim #: GAR0000032019  
Date of loss: January 7, 2019

There are three types of losses to consider in this claim:

1. Expenses: These include, Software restoration and upgrade, database upgrade, new software, new servers, new hard drives, processors, and computers with labor costs of \$19,125 for a grand total of **\$34,028.00**
2. Ransom: **\$ 4,200.00**
3. CRL Cyber Expert Services: UCIP Covers

**Korby Siggard**, *Claims Manager*

**UTAH COUNTIES INDEMNITY POOL**

5397 S Vine Street|Murray, UT 84107-6757

801-307-2116 d|801-386-2468 d|435-608-4531 f

Follow UCIP on: [Facebook](#) | [Twitter](#) | [Instagram](#) | [YouTube](#)

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5397 S Vine, Murray, UT 84107-6757

Phone (801)565-8500 ☎ Fax 435-608-4531 ☎ [ucip.utah.gov](http://ucip.utah.gov)



# CEO Report

April 16, 2019

## UTAH COUNTIES INDEMNITY POOL

### Historical Industry Financial Ratios

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Net Premium to Surplus</b> (200% or lower)	135%	112%	91%	92%	75%
<b>Retention to Surplus Ratio</b> (10% or lower)	11%	8%	5%	5%	4%
<b>Reserves to Surplus Ratio</b> (300% or lower)	351%	258%	170%	182%	158%
<b>Loss Ratio w/IBNR</b> (100% or lower)	80%	60%	56%	58%	55%
<b>Combined Ratio</b> (100% or lower)	132%	109%	99%	99%	99%

## UTAH COUNTIES INDEMNITY POOL

### Historical Industry Financial Ratios

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Net Premium to Surplus</b> (200% or lower)	135%	112%	91%	92%	75%
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<b>Loss Ratio w/IBNR</b> (100% or lower)	80%	60%	56%	58%	55%
<b>Combined Ratio</b> (100% or lower)	132%	109%	99%	99%	99%
	118%	84%	105%	107%	



# 5 Year Expense Trend

5Y Loss Ratio at 12/31/18 102.7% (down from 104.7% at 12/31/17)

- Investment income and expense management have allowed for continued Equity growth

	2014	2015	2016	2017	2018	5Y AVG
Reinsurance	31.3%	31.0%	27.4%	26.1%	28.5%	28.7%
Operating Expense	21.0%	18.5%	15.4%	14.9%	16.3%	17.0%

# Non-Equity Member Performance

Contributions more than doubled since expanding eligibility

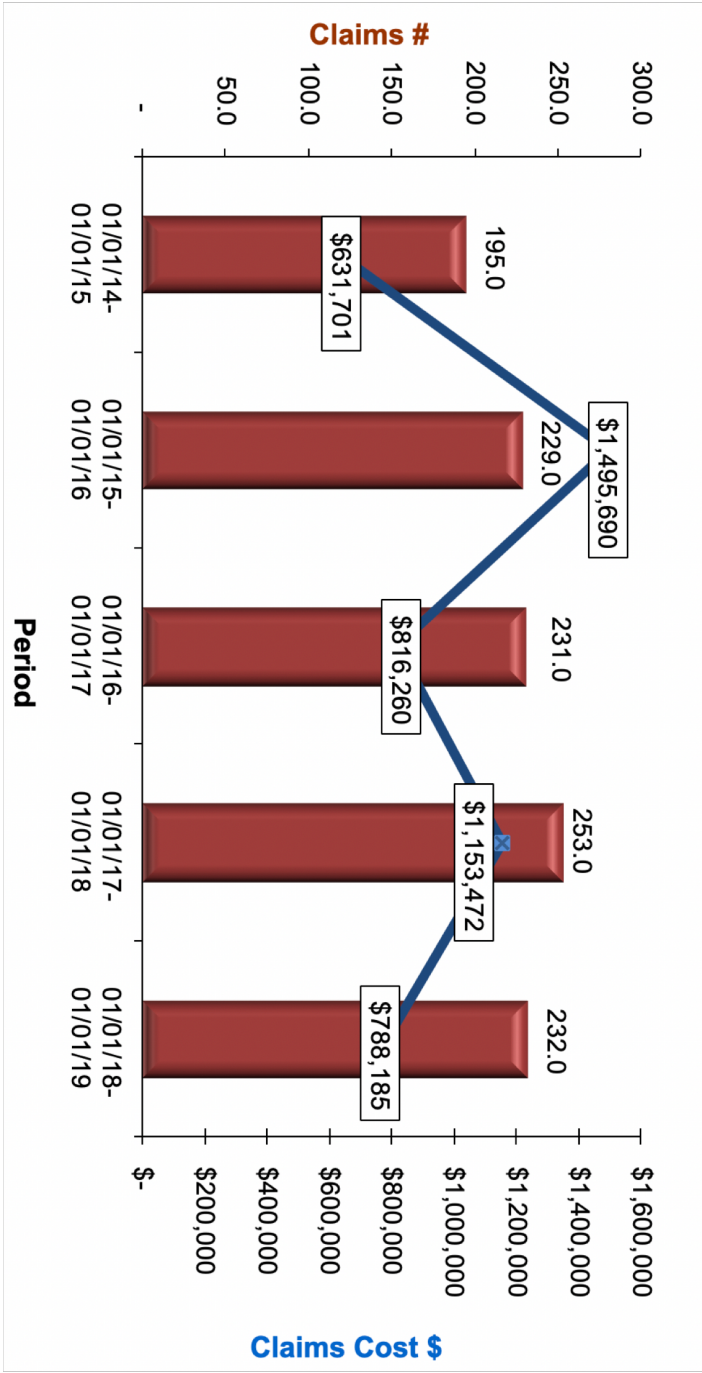
- 2014 = \$217,690
- 2018 = \$472,376

5YR Combined Loss Ratio = 95%

	2014	2015	2016	2017	2018	5Y AVG
Loss Ratio	4.1%	69.9%	8.5%	3.3%	139.3%	49.5%
Combined Ratio	56.4%	119.4%	51.3%	44.3%	184.1%	94.5%

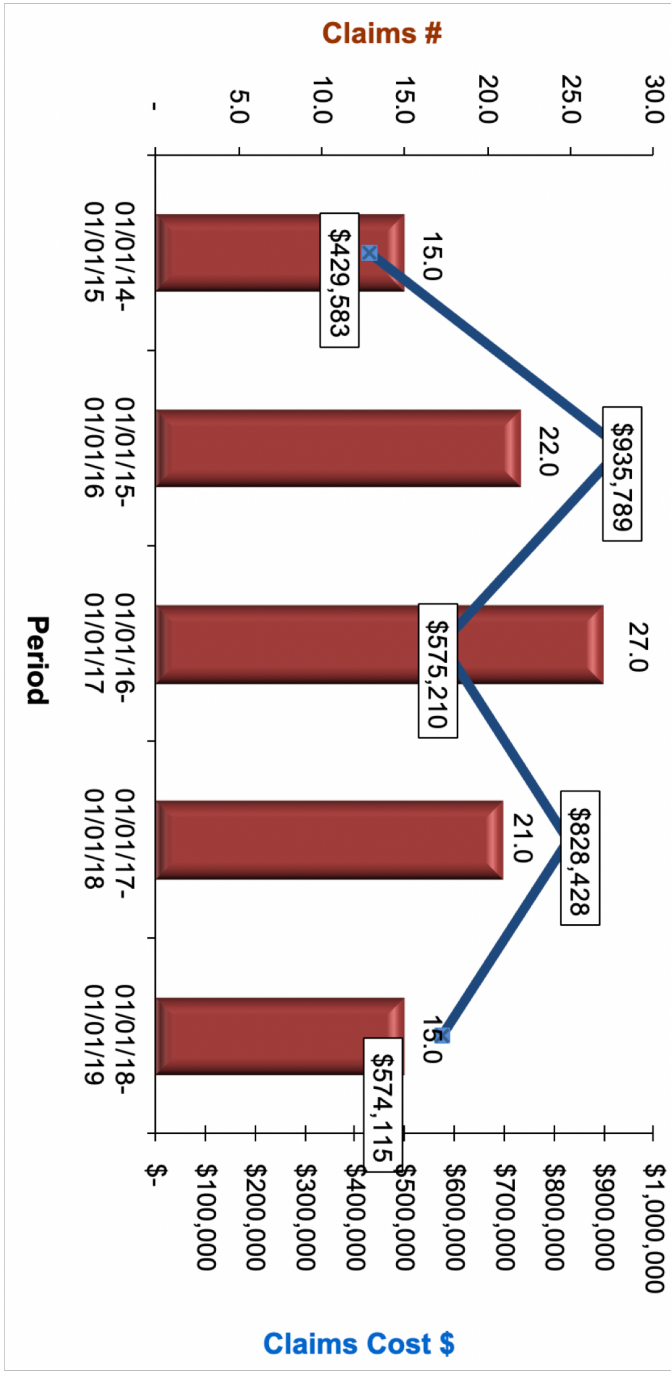
# WCF Joint Purchase Program

## All Counties Claims Frequency/Cost Trending



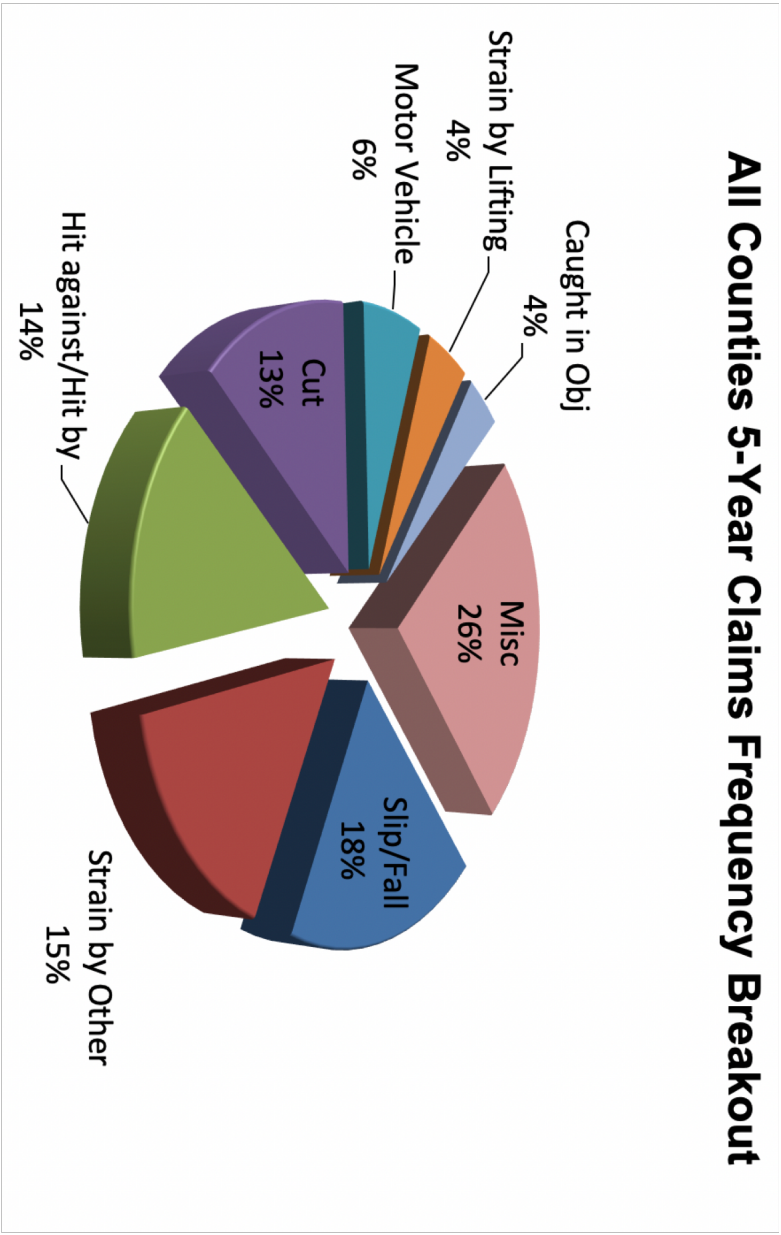
# WCF Joint Purchase Program

Indemnity Claims Frequency/Cost Trending



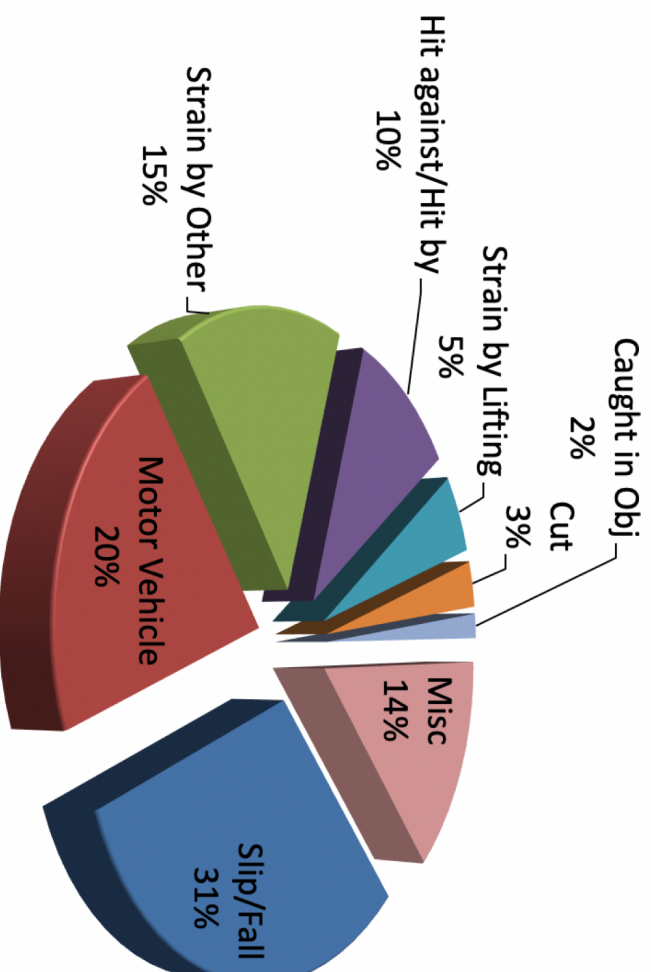
# WCF Joint Purchase Program

## All Counties 5-Year Claims Frequency Breakout



# WCF Joint Purchase Program

## All Counties 5-Year Claims Cost Breakout





# WCF Joint Purchase Program

Two-Year Comparison Frequency & Cost				
2017 vs. 2018				
County	2017#	2018#	\$2017	\$2018
Beaver	4	5	2k	1.5k
Box Elder	25	29	325k	215k
Daggett	1	1	20k	78k
Duchesne	13	17	25k	72k
Garfield	1	1	5k	1k
Iron	20	12	12k	3k
Juab	4	6	9k	17k
Kane	3	4	16k	14k
Millard	12	7	16k	80k
Morgan	2	2	4k	2k
Piute	0	0	0	0
Rich	3	0	4k	0
San Juan	9	7	18.5k	7k
Sanpete	3	4	1k	4k
Sevier	7	6	7.5k	4k
Uintah	13	22	54k	81k
Washington	21	19	54.5k	69k
Wayne	2	7	.3k	6k
Weber	83	64	401k	119k
Weber Human Services	27	14	186k	13k

# Current Projects

- HB163 Sample Policy Development
- Strategic Planning Session Preparation
- Statewide Hotline Development
- Workshop Preparation
- 2020 Renewal Process



# UCIP Board of Directors Strategic Planning

---

Capitol Reef Resort, 2600 E Hwy 24, Torrey, UT

## Wednesday, June 19

- 7:30 Breakfast
- 8:00 Activity, Location TBD
- 12:00 Lunch
- 1:00 Review of Key Policies
- Board Compensation
  - Board Meeting Rules of Order and Procedure Policy
  - Coverage Addendum
  - Internal Accounting Controls
  - Reimbursement
- Review of New Policies
- Pre-Loss Legal Assistance Program
- Board Member Training
- Fiduciary Responsibilities of a Board Member
  - Open Meetings Act
- 5:30 Dinner, Location TBD

## Thursday June 20

- 7:30 Breakfast
- 8:00 Planning Session
- Management Reports
- Claims
  - Financial
  - Equity/Loss Ratios/Profitability
  - Rating
- Committee Reports
- Audit
  - Education
  - Law Enforcement
  - Litigation Management
  - Personnel
- Strategic Plan
- Mission, Goals and Objectives
  - UAC/UCIP Relationship
  - Coverages and Services
  - Work Load (Staff, Board, Committees)
- 12:00 Lunch
- 1:00 Activity, Location TBD
- 5:30 Dinner, Location TBD

## Friday, June 21

- 7:30 Breakfast
- 8:30 Board Meeting
- 11:00 Lunch